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EAST INDIA (EXCISE ADMINISTRATION)

REPLY TO REPRESENTATIONS

BY

MR. HERBERT ROBERTS

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B. B. R. A. S.

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REPRESENTATIONS AND STATEMENTS

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RELATIVE TO

EXCISE ADMINISTRATION IN INDIA.

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No. 1.

Report of the Proceedings in the Council Room of the India Office at a Deputation to the Secretary of State for India with reference to Excise Administration, 1st August, 1907.

Mr. HERBERT ROBERTS said:—

Mr. Morley, I have been asked to introduce the Deputation to you this afternoon, and in doing so I may perhaps be allowed very briefly to emphasize two or three of the main points which we wish to impress upon you. The object of the Deputation in the first place is to lay before you facts as to the growth in the revenue derived from drink in India; to urge upon you and upon the Government of India the necessity of carrying out as soon as possible the recommendations of the Excise Committee, and to make certain definite proposals for your consideration. I should like at the outset to say that the Deputation is in no sense a political body. In considering Indian affairs we think that politics in any partisan sense should be rigidly excluded. There are present here to-day representatives of both Houses of Parliament, and of both political parties; there are representatives also of the great missionary societies now working in India; and there is also present Dr. Harold Mann, who has upon all questions of excise in India an exceptional knowledge. The dominant fact, Mr. Morley, in the situation which we desire to bring to your notice to-day is the steady expansion of the revenue drawn from drink in India. I will only refer to two figures. In the year 1874 the amount, roughly, of revenue drawn from liquor was $1\frac{3}{4}$ millions per annum. In 1906 it amounted to $6\frac{1}{2}$ millions per annum. Now, we recognise that some of the causes of this expansion of revenue are quite outside executive action, but we feel that behind this fact of the enormous increase in the revenue drawn from drink sources in India there are facts which demand the consideration of the Government of India. There is one point in the situation in regard to which the Government of India have complete control, and that is in reference to the facilities for drinking—the number of licenses which are granted. And although we wish to make it quite clear, Mr. Morley, that the fact of the increased facilities by itself cannot be regarded as in any way the sole cause for the increase in the drinking of the people, still we think that that fact, taken with other circumstances, is a contributing influence in the situation. The declared policy of the Government of India is quite clear upon this point. I would refer this afternoon only to one sentence from the letter of the Government of India, dated 23rd of April, 1904, in which the policy in regard to Excise is clearly stated: "The policy of the Government of India is to dis-"courage drinking, and to do all that is possible, without interfering with the liberty of "the subject, to suppress the degrading and demoralising habit of intoxication." That is quite clear, and that has been repeated by the Government of India on many occasions in the most emphatic terms. But I would like to make three observations upon that declared policy of the Government of India.

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First of all, the policy is not carried out by the Excise officials. It is not the fault of the officials in India, but of the conditions of the system under which they work.

Another comment I should like to make is this, that the opinion of those immediately concerned in the grant of drink licenses is not sufficiently consulted and recognised.

And the third comment I would make is that, in most cases, considerations of revenue, and not the moral welfare of the people must, under present circumstances, dominate the position.

We will separately bring before you some facts as to the evidence in the increase in the consumption of liquor in India. I will not dwell in any detail upon that point, I would simply mention it.

The second point which we wish to urge upon you, Sir, is the desirability of carrying out without delay the reforms suggested by the Excise Committee. Dr. Mann, in his statement, will go into some detail upon this important point.

Mr. MORLEY: You think then, Mr. Roberts, that those reforms suggested by the Excise Committee are of importance and of value?

Mr. ROBERTS: Yes. A considerable number of the recommendations we consider of the utmost value, and we desire to press upon you the necessity of carrying them out with as little delay as possible.

And the last point I wish to make is that we will bring before you certain definite proposals with reference to the future. I have already mentioned the carrying out of the recommendations of the Excise Committee. There is another point which, in our opinion as a Deputation, is of essential importance, and which we wish to bring before you, and that is that no permanent reform will be possible in this matter in India until we obtain a separation of the licensing from the revenue functions in the Department dealing with Excise administration. It cannot be right that the officials responsible for the revenue of a district should also control the facilities for drinking from which such a substantial contribution is made to the revenue from the licenses which he grants. And to sum up the situation, we desire to press upon you the desirability of further enquiry into this question by means of an independent and impartial Committee; and we feel that in making these representations to you to-day we need not apologise in any way for seeking an interview upon the question. We have for years observed with anxiety the constantly increasing dimensions of the revenue drawn from drink in India, and the evidence, which we receive from sources which we consider of undoubted reliability, points to the irresistible conclusion that intemperance in India is increasing. We cannot but remember that the vast majority of the people of India are total abstainers by religion, by custom, and by considerations of prudence. The question we ask ourselves is, Why should they be tempted, and is it right that the views and wishes of those who are in the overwhelming majority upon this point in India should not receive greater and more distinct recognition?

Now, Mr. Morley, in conclusion I have only to say that in appealing to you to consider this question we know that we are appealing to one from whose mind—in the great and responsible task which is committed to your charge—moral considerations will never be absent; and we feel that, when we have had the opportunity of making our statement to-day, you will give it your careful and your sympathetic consideration. I now have much pleasure in calling upon Lord Kinnaird to address you.

LORD KINNAIRD said:—

Mr. Morley, I can assure you, on behalf of many interested in the moral and material interests of India, that we are deeply grateful to you for having undertaken, in the midst of your very busy life, to receive this Deputation, the more so because we think that it may lead you to have before your own mind certain different views from those of others who were in office before you, and who were equally interested with yourself in all that concerns the interests of India. A new mind sometimes will look at a matter in a different way from that of one who is accustomed to look at it possibly from having himself been in India. We do not wish to make any charge against those who have the administration of the licensing law in India. But with regard to these facts, which, I suppose we may take it, are in the main accurate, there is an increase from £1,755,000 in 1874–75 to £6,510,000 in 1906–07, which is an appalling figure when we remember that we have, by temperance work in England, been enabled to influence public opinion and the habits of the individual to such an extent that the increase has not been anything like proportionately so great in this country. Possibly there may be some preventable causes

which we venture to think that you, with your advisers, might be able to discover to stop this tremendous increase. Then I know Mr. Caine, who used continually to have a strongly Indian mind, said, I think publicly, both in Parliament and elsewhere, that, while he admitted that the function of the Government was not to increase and further the sale of liquor, on the other hand, revenue officers were promoted—I hope by putting it in that way that I am not saying anything unkind—but that they were promoted as zealous revenue officers ; and one of the reasons that lead to their promotion was that, among other revenue, the liquor revenue increased. I am only saying what one has heard continually from those who know the country ; but, having been only twice in India, I do not pretend to much personal knowledge. In talking to others about it, however, one gets the impression that the young officials think that their duty is to run up this revenue : and, when it once gets into a man's mind that he will be considered a useful official if he can run up the revenue, I am afraid—human nature being what it is—he will not be as keen a temperance reformer as some of us might be who have not to raise the revenue, and who have not to make both ends meet in that great Dependency.

Then one other matter. It is very difficult to know, without wishing to exaggerate, how much weight to attach to stories (which one hears personally from friends who have complained and have got very little or no redress) of the planting of a liquor shop just outside the entrance to a tea-garden or some big factory, and of its being there just at the time when the people come out tired and weary, and at other times, with a little money in their pockets. We are not surprised to see that the tendency is an increase in revenue.

Cases have occurred in tea-gardens where coolies have been imported at great expense from a distance—men not accustomed to drink anything but very light beer, or not even that : for these coolies to be killed owing to the increase in this liquor traffic, or even to have their efficiency in any way interfered with in this way, is unfair to their employers who have gone to great expense to secure them. It is a position which I am sure no Government would deliberately take up. I referred to this matter in the House of Lords, and a promise was made that the matter should be looked into—and I have no doubt it was looked into. But the difficulty is this ; these things go on, and all we want is just to state certain facts and see whether, together with those who are working in this way, some experiments might not be made whereby in some cases—in a large number of cases —these shops might be removed. Some of them have been removed. But in some cases, as I know from personal knowledge, they have not been removed, though the high officials have tried to get it done.

Lastly, the difficulty that does come in the way of some of us and of those in India who want to do it, is this. Human nature being pretty strong, the Indian Official must be a wonderful man, and very different from the rest of the world, if he is going to make himself very objectionable ; and, if he finds he is stopped by people higher than he is, and thought to be a nuisance in troubling to stop these grog-shops—well, I am afraid we do not expect to see much improvement in this way, until a less uncertain note is sounded than has hitherto gone out, and until in some practical way the co-operation of the managers of tea gardens, temperance workers, and others is called in to help others in carrying out the desires which have so often been stated. We do not want any remarks we make here or outside in the country to be misunderstood ; we do not want to say a word against any man's personal conscience—we believe he is just as honest in his desire as we are ; but when it comes to the official conscience and the revenue falling off—and men in famine time want revenue—I admit it is very tempting to start a hundred or more grog shops ; and, as that has happened in the past, we ask you kindly to consider, Mr. Morley, whether you can apply your mind to see whether something can be done—with the great powers which officials in India have—to decrease the temptation which is shown by the figures which we have stated. I do not think I need take up your time in trespassing further on you this afternoon ; but that is the view of some of us who have been out there.

Dr. Harold Mann said :—

Mr. Morley,—Sir, my claim to address you this afternoon is simply that during the past seven years I have, from a purely non-official position, given the subject of excise in India a good deal of attention, and I think that there is no need whatever to try to demonstrate that the drink habit in India is spreading. Apart altogether from the figures for increase in quantity consumed per head, the change is obvious to all those who are really in touch with the problem, and, whatever be the cause of this increase, it is a fact which must cause those who are keenly interested in the progress of India to pause at least and deeply consider what it means. At the time of its appointment I was hopeful that the Excise Committee, which has lately presented its report, would be able to inquire

into and call for evidence upon the general question of the increase in liquor consumption —its causes and its meaning. Its terms of reference were, however, to narrow to allow of this, and its report contains but a few meagre references to the matter, being almost entirely concerned with points in excise administration. To me the determination of the causes which underlie the increasing consumption, their relative importance, and the means by which the action of these causes can be neutralised, is far more important than the determination of the best methods of carrying out details of excise administration without a complete understanding of the basis on which these are laid. I would, therefore, strongly urge that such an enquiry by an impartial body be made before any excise legislation is instituted. To enter on general legislation such as is understood to be in contemplation, and such as was suggested by the Excise Committee, until information, as complete as possible, as to the causes of the increase in consumption is available, seems at least unwise. I wish to press the point of the necessity of a further and more fundamental inquiry, because the whole excise policy of the Government of India has been declared again and again to have as its first and principal object the limitation of the consumption of liquor and the prevention of the increase of drinking habits. Until we know—and no exact information beyond that collected by private individuals is available—what are the causes of the phenominal increase in consumption in recent years, it is impossible to carry out the declared policy of the Government simply from want of knowledge.

Though no exact information is to hand, yet a great many causes of the apparent increase have been suggested by excise officers (*vide* annual reports of the provincial excise departments) and by private inquirers. "Improved administration" is that usually given by excise officials. This explanation, of course, largely denies that the apparent increase in consumption is a real one. My own experience in North-East India would indicate that in many cases it is at least partially true that any sudden and large increase in revenue, and apparent increase in consumption, is due to this cause. But it is totally insufficient to explain the steady and gradual increase of liquor consumed per head which has been going on for a number of years. Plague has probably something to do with this in several parts of India. The apparently increasing prosperity of the people, the change from agricultural to industrial life, the breaking down of the caste system, all are given, and, in my own experience, I think given with reason, as partial explanations of the increase in consumption. But the more the importance of these causes the more necessary is it, if the declared Government policy is to be carried out, (1) that a thorough and impartial inquiry should be made, (2) that everything possible should in the meantime be done to decrease the temptations to drink and the facilities for drinking.

I have already urged the necessity for an impartial inquiry. But with regard to the temptations to drink and the facilities for drinking, my contact with all save the highest excise officials indicates that they are in mortal dread of any such decrease in facilities as may lead to loss of revenue. I can give numerous instances of this fact,—and all critics of the excise administration, including Sir Frederick Lely, have said the same. Apart from the highest officers, it is acknowledged always in conversation that revenue, and revenue almost alone, dominates the ideas of those concerned in excise administration. I can give you an illustration of that. In connection with some representations made to the Excise Department in Calcutta some years ago we presented them with a list of shops which we were anxious to see closed. The Superintendent of Excise revenue went down this list, and at last, when he came to one which was the smallest of the lot, from which the revenue was very little—practically nothing at all—he said, "I think we can *afford* to close that,"—and that represents the attitude of all the lower excise officials in India. This attitude, it would seem, can only be got over by two methods :

Firstly, by any increase in consumption in a district or a province, being considered to demand an explanation, and not, *ipso facto*, to be a ground for commendation, as it has been in the past ;

Secondly, by separating the licensing from the revenue authority.

The latter suggestion was considered by the Excise Committee, and was not reported upon favourably. But a Committee composed solely of revenue officials could hardly have done otherwise. It would have been almost a miracle had they done so. And the question can never be satisfactorily determined until a further more impartial inquiry is made. But practically every non-official I have met or heard has considered the present arrangement to be fundamentally bad. The official's position is dependent on his revenue ; his revenue is dependent on the number of his licenses, and what he can get for each, at least in part ; hence the number of licenses tends to increase ; hence the revenue from license fees tends to increase ; hence, necessarily, the amount sold *must*

increase; and hence, in a measure at any rate, the present situation. In urging a separation of the licensing and the revenue authorities, we have the backing of practically every non-official organ, European or Indian, in India. Who should be the licensing authority in such a case is more difficult to say. Some are in favour of a modified local option, some of leaving it to municipal corporations and local boards, some of putting the matter in the hands of a judicial officer like the Chief Presidency Magistrate in Calcutta. For my own part, I would be content to leave the selection of the authority to the decision of the body which I have suggested should inquire into the whole subject, provided there was confidence in their fairness and impartiality. In any case, what we desire to urge most strongly is that it is unreasonable to expect revenue officials, for this occasion alone, to discard their desire for revenue, and look at the matter from a more general point of view, especially when, as hitherto, increase of revenue is a fact marked out for commendation in nearly every excise report.

MR. MORLEY: Are you sure it is commendation?

DR. MANN: I can quote cases in my own part of India—Bengal and Assam.

MR. MORLEY: Are you sure the description of this language is "commendation?"

DR. MANN: Well, it is taken that way by all outside critics.

MR. MORLEY: Ah, yes. Satisfaction from a purely revenue point of view: but though you speak as you have of an "official conscience," I can imagine that an official, while feeling some satisfaction in saying he had a good account, might still feel very sorry that the source of that revenue was drink. I am only quarrelling with the word "commendation."

DR. MANN: Well, then, the Resolution of the Local Government on the Excise Report very often repeats that note of "satisfaction"—if you prefer to put it that way.

I now pass to other points of general administration, which in the event of a more impartial and complete inquiry being refused, we are particularly desirous to urge. In all of them, we have the partial or complete support of the late Excise Committee.

First, we urge the gradual but complete abolition of the outstill system. As the Government of India seem to be in agreement* with the Excise Committee in urging this abolition in most areas, there is little to say on this point, except to press that there be no unnecessary delay in carrying out the decisions as widely as possible. The system stands condemned from an administrative as well as from a temperance point of view.

Secondly, we urge also the doing away with the auction system of disposing of licenses. In this matter the Excise Committee and the Government of India have been in sharp disagreement, the former suggesting that a system of fixed fees should be gradually substituted, and the latter maintaining the superiority of the present method. We are entirely with the Excise Committee in the matter. It is not possible to reply to all the arguments of the Government (*vide* orders of 16th May, 1907) on this point in the present interview. But the actual result in practice is that the maximum inducement to sell liquor is given, and hence the attitude of Government in the matter is a most disappointing one. Considering that the critics of the administration are now, in this matter, backed by the opinion of a Committee of excise officials, we have no hesitation in asking you that the question of carrying out the Committee's recommendations may again be considered.

Thirdly, we would urge again that greater provision for ascertaining public opinion in locating liquor shops should be made, and that more regard should be paid to that opinion when obtained. The present system of merely placing a notice on the site and at the police station for a specified period, during which objections may be made, in practice amounts to no taking of public opinion at all. In Calcutta, it was only by having a very well-organised system of correspondents that we ever heard of proposals to establish or remove shops, and outside the big cities shops are planted down, removed, and again planted down without anyone having a real chance of expressing an opinion. The system proposed by the Excise Committee is a little better, but is still unsatisfactory. The Government has not yet passed its orders on this subject, and we would urge that these should go much further, and provide not only for local inquiry but also for more attention being paid to local opinion.

Fourthly, we would urge, too, that the recommendations of the Excise Committee should be carried out with regard to the management of shops, and that what may be regarded as the first principles of excise administration designed to limit consumption should be brought into operation. These relate to the conduct and construction of licensed premises, the employment of women, the sale to children and drunken persons,

* *See* orders of 16th May.

&c., and we desire to see these recommendations carried out in their entirety. We would urge finally, that rules made by the Excise Department should be carried into practice, or, in other words, that the efficiency of the excise departments should be increased. The special case in my view here is the excellent rule in force in Bengal as to the placing of shops in relation to temples, markets, bathing places, and the like. In a recently compiled list of the shops in Chota Nagpur I found that a very large proportion of the shops are in positions prohibited by the rules of the province in which they are situated. In this matter the rules are not usually so much at fault as the administration of them, and the fault is usually in the atmosphere or tone of the department, which is taught in practice to have an eye for revenue alone.

Finally, in summary, on behalf of the Deputation, I would urge in the strongest manner—

(*a*) That the report of the Excise Committee so far as it concerns the conduct and construction of licensed premises, the employment of women, the sale to children and drunken persons, the prohibited positions for liquor shops, &c., be carried out in their entirety ;

(*b*) That the abolition of the outstill system, as agreed to by the Government of India on the Excise Committee's recommendation, should not on any account be delayed beyond what is absolutely necessary ;

(*c*) That the question of the disposal of licenses by auction be reconsidered, and that the recommendations of the Excise Committee be made the basis for further reform ;

(*d*) That the separation of the licensing from the revenue-receiving branch of the administration be taken into consideration at once ;

(*e*) That there is necessity for a more complete realisation on the part of the officials of Government of the general principles upon which the excise policy is declared to be based, and that any increase in liquor consumption should be considered to demand an explanation, and not as a ground for satisfaction ;

(*f*) Lastly, we urge that the present constant and progressive increase in the consumption of liquor, in view of the declared policy of the Government and the future of the country, demands a searching enquiry by an impartial body into the causes of the increase, and the most effective way of grappling with what all recognise to be an evil of great and increasing magnitude.

Mr. Henry J. Wilson, M.P., said :—

Mr. Morley, I know the value of your time and I will be as brief as possible. Indeed, I have no special claim to speak on the general question or on many of the details which have been referred to already. I am going to confine myself to one single point to which Mr. Roberts has already referred, and that is the fact that in India the great races are by race, religion, habit, custom, and everything abstainers. There is no comparison between the state of things in that country and in this. We, in this country, have been for centuries, more or less, consumers of alcohol, and you know very well what a strong feeling there is in this country now to try to diminish it in various ways, by legislation and otherwise ; and it does seem a terrible thing that, while we are doing this here, we should be parties in any way whatever to offering facilities to, or encouraging, the various races of India who are opposed to it, to let their weakest and most degraded members further weaken and degrade themselves by habits which we so much deplore in that country as well as in this.

One point was referred to by the last speaker, and that is the planting of liquor shops in places where they are put. I do not presume to suggest what would be the form of arriving at popular opinion on the subject, if that is thought necessary, and how effect might be given to it in India, but I did hear, when I was there years ago, and I have heard from time to time since, absolutely scandalous cases—some published and some never published—of these liquor shops being put in districts where they were not wanted and where the whole feeling of the body of people around was against their being put there at all.

Mr. R. Laidlaw, M.P., said :—

Mr. Morley, I shall not occupy your time more than a minute or two, and I should not have ventured to intervene at all, but it so happens that I have resided for over 20 years in India, and being, fortunately or unfortunately, a proprietor of several tea gardens, this is a question that has interested me very considerably, and it is one to which I have given more or less attention during all the period that I have been in India. Before touching on one or two points that have been brought to your notice by

Dr. Mann, I should like to ask you, Sir, to attach great weight to the testimony that has been put before you this afternoon by Dr. Mann. He has been, as you know, a scientific officer of the Indian Tea Association for seven years, and has exhaustively and, I may say, in a scientific manner, gone into this subject; and I think there is no one in India who knows it more thoroughly, either in the Government service or unofficially, than he does. Looking at the figures that have been put before us regarding the increase of revenue, these are set out for a period of 30 years, which just coincides with the term over which my personal experience of India extends; and I was very much struck by the fact that these figures have been multiplied three times during that period. We go roughly from 2,000,000*l.* to 6,000,000*l.* in the 30 years. Now, we are told by the revenue officers that superior supervision accounts to a large extent for that; as well as increase of population and increase of duty. These things may, Sir, account for some increase, I admit; that is recognised, I think, by everybody; but I think if we allow 20 or 25 per cent. of the increase as being derived from these causes, that still leaves us with 75 or 80 per cent., which, I think, we must take as representing the increased drunkenness amongst the people. It has been brought to your notice that the tea-planting community have put forth their grievances from time to time in connection with having drink shops planted down near to the gardens. That is a complaint that I know something about in Darjeeling, although there it is not so serious as in some other districts. The coolies in Darjeeling are mostly hill people, who are more or less at home in the gardens in that district; but in Assam and some of the other districts where large numbers of men are brought from Central India and other parts, they come there as sober men who have never been accustomed to drink, and they have these temptations planted in their way, and it has been a very serious injury to the planting industry, borne out by the testimony of almost every man engaged in the trade; and that is the smallest part of it, I think, because we must remember that we are responsible for the good government and for the moral and material welfare of these people; and we must take into very serious consideration the fact that by our system, the system that has gone on all these years, we are doing them a very serious wrong and a very serious injury. I am sure, Sir, there is no one more jealous than yourself for the good name of our country and that no one in India at this time—perhaps above all other times—should be able to point the finger at us, and to say that our presence in India has been injurious in any way to the people of the land. I feel that very strongly myself, and I am sure you do too, Sir.

Then I would like to say just a word about the system of putting up licenses to auction. This system has been tried in various parts of the world, and in some parts it has appeared to work fairly well, but in India it has proved most disastrous, for this reason, that there is great competition for licenses, and very very high prices are paid, such high prices that it prevents the purchaser from supplying a good article at anything like a reasonable price: and the result has been that the most deleterious stuff is swallowed without any adequate inspection. That has been most injurious amongst the native population in the larger cities, as well as in the tea gardens.

Now Sir, I do not want to take up your time at all. I was bold enough to suggest in the House the other day, that you and Mr. Hobhouse should pay a visit to India during the recess. That might not be in accordance with custom, and may be thought altogether out of the question as far as you yourself are concerned; but, if anything of that kind could have been arranged, I am sure that everybody in India would have rejoiced, both the people of India and the people in this country interested in India. I would impress upon you again, Sir, in a word,—I would implore you to attach great weight to the testimony that has been put before you to-day by Dr. Mann.

Mr. Leif Jones, M.P., said:—

I esteem it a privilege, at the invitation of Mr. Roberts, to associate myself with the objects of this Deputation. I cannot honestly say that I have any very special claim in regard to this Deputation except that as a member of the House of Commons I am, to use Sir Henry Fowler's phrase, in some sort a member for India; and in the second place I have been for a long time associated with the temperance movement in this country, and therefore know something of the liquor traffic which in India, and in every other civilised or uncivilised country, is a difficulty with which the Government of that country has to deal: and our justification in coming to you to-day, I think, rests upon your declaration on behalf of the Government of India that your policy is to discourage drinking. Accepting that declaration we are forced also to recognise that you have not succeeded.

The revenue from drink has increased during the last 30 years ; the total consumption of drink has increased ; the consumption per head of the population has increased, and the number of houses for the sale of intoxicating drinks has under our control and administration increased. And some of the reasons for that failure—as we must admit it to be, the object being to diminish it—have been pointed out to-day. May I emphasize one ? The connection between the licensing authority and the Revenue Department, tried by experience in various parts of the world, has invariably led to one result, and that is the spread of drinking, I will not say with the object of increasing the revenue, but with that result. A most salient example of that is in Russia, where some years ago the liquor traffic was analysed, and the Government took it into its own hands with the object of reducing the traffic. For a time it succeeded well enough, but the pressure of the Japanese war, and the necessity of obtaining money, led to a tremendous increase in the consumption of liquor in Russia ; and seeing that in India the Government—from the revenue point of view—is directly interested in the spread of the consumption of liquor, one cannot help feeling that there is one salient cause of the facts which we deplore.

One other point I may be allowed to urge, and that is one that has been mentioned—the association of the people themselves with the licensing of houses for drink. After all these are for the population, and I cannot myself see why in India, as in this country, the will of the people in this matter should not be operative ; and I understand from a member of our House that, even in India, or in parts of India, this system of local option has been tried with the very best results. One member of our House, who has held high office in Burma, tells me that under his administration he did set up local option under which he practically banished liquor shops and opium dens ; and I cannot help thinking that if you would, in considering the changes which you are going to make, weigh well that suggestion, you might find something of a remedy there.

And lastly, Sir, may I say that if we are right in our analysis of the situation—if we are right in thinking that this state of affairs in India is largely created by the way in which the liquor traffic is carried on—may I say that the cure for it does lie in the hands of the Government of India ?

The Rev. Dr. WARDLAW THOMPSON said :—

I think my only right to speak this afternoon, even for a moment, is that I am the Secretary of one of the oldest Missionary Societies carrying on work in India, and which has a very large number of European missionaries in all parts of India, and especially in South India, and that I have just completed a six months' journey round India, visiting our mission stations and seeing very closely the life of the people in the country places, rather than in the great cities. Now I visited India some years ago on this work, and I have been very much struck with the change since that visit in the condition of things in many parts. At one of the first stations we went to in South India my attention was called to a liquor shop in a most prominent place at some cross roads, and I found that my friends there were greatly concerned by the growth of the drinking habit, especially among the low-caste and poor people, which they attributed to the increased facilities given for the use of liquor. That led my companion and myself more carefully to inquire as we went round, and we found the same complaint again and again and again—that the number of liquor shops had greatly increased, that they were put into places naturally most convenient for the people to get what they wanted, and that as a result the number of people drinking had also greatly increased. And unfortunately—unfortunately I say with meaning—this temptation came very largely among the poor people and the low-caste people. The caste people are by the habit of centuries many of them completely separated from the use of drink, and among serious-minded Hindus and Mohammedans there is a very strong feeling against it ; but the low-caste people, who constitute a very large portion of the populations, especially in South India, are not so influenced by the strong caste feeling of the others, and are much more open to temptation. We found these temptations, then, had increased, and increased very seriously in many districts, and as a result our friends said the drinking habits of the people had increased. We found, however, that there was a difference in different districts. In some districts there was much greater feedom than in others, and, as we came to ask, the opinion was expressed : " The fact is " the Executive Officer here is much more careless than in some other parts, and " if he does not encourage, he at least is very free in his granting of licences ;" and so we began, little by little, as we went round, to discern that it very largely depended upon the action of the local authorities ; and, though the Government was

making a very earnest effort to restrict and reduce the use of drink, we found that, as has been pointed out this afternoon, the Excise and the Executive were one practically, that is to say, the authority to grant the license came into the hands of the officer whose business it was to get the revenue; and it looked very much as if the difficulty of restriction was very largely due to that very unfortunate combination in the management of the whole subject. I came away from India much distressed. I was distressed, apart from these causes, with the discovery that in many quarters the use of wine and other intoxicating liquors was growing on festive occasions among Christians and non-Christians, among the natives, as a result of the European example. Well, the Government is not responsible for that, but, in addition to that was this difficulty about the increase of liquor shops and the difference in the different districts in the number of liquor shops, due, our friends believe, to the different attitude of the local officials. I therefore feel that, having seen this, I could not refuse Mr. Roberts' request to say a few words this afternoon.

MR. MORLEY: What was the interval of time?

DR. THOMPSON: Between my journeys—twenty years.

MR. MORLEY: And at the end of the twenty years you noticed a rather lamentable difference?

DR. THOMPSON: A very marked difference.

MR. MORLEY, replying to the Deputation, said:—

Gentlemen, I am very much obliged to you for coming here. You are an important body representing a great set of opinions in this country—opinions, which, coming from the men who hold them, I greatly value, and you need make no apology for coming. On the other hand, you need not have come to persuade me of the virtues of local option because, as Mr. Leif Jones, at all events, may remember, I have even sacrificed a parliamentary seat to that cause many years ago. I have always held that doctrine very strongly, and I hold it now; and though I think there are a great many English ideas that cannot well or wisely be transported to India, this certainly is an idea that I hope will take root there. I confess that I think it shocking, as my friend Mr. Wilson pointed out, to think that, while we are flattering ourselves that we are spreading Western civilisation in the East—a long and difficult operation—we are at the same time, by transporting our industrial system, to some extent, and for other reasons, spreading what is one of the main causes of much social unhappiness in the West. Well, Dr. Mann, who made a very interesting speech indeed, and delivered it with sincerity and conviction,—and though I quarrelled with one of his words, I fully recognise that—said that you ought to have another inquiry, and this, after all, is one of the main objects that you wish to press upon me, I think, this afternoon. Well, he said you ought to probe to the fundamental causes of the growth of this mischievous practice and habit. But I am perfectly sure that Dr. Mann knows that to probe fundamentally and effectively into the growth of a social habit of that kind is not an operation that can be conducted by any mere Government or official inquiry. The roots and the growth of social habits are wide, and deep, and obscure, and subtle, and they require enormous and prolonged and penetrating search; and if anybody said to me, "You must probe into the growth of drink in India"—if it be a growth—I should say "Very well, but it will take ten years to get to the bottom of it." Now, Gentlemen, I think you are applying the wrong scale, if you will allow me to say so, to the Report of the Excise Committee. That was not intended to be anything like an exhaustive and sociological inquiry—if I may so call it—into this particular question; it was an administrative and Government inquiry, and though Dr. Mann complained about it as being somewhat meagre in its scope and meagre in its conclusions, yet all or nearly all—I say it in the presence of officials—administrative operations are, if they are measured by abstract standards, if they are measured by social and personal enthusiasm—they are meagre. Now I submit to you, when you read the report of this Excise Committee—but I need not say more upon that head because Mr. Roberts himself said, I think his expression was, that "we consider that their recommendations are of the utmost value"; and even Dr. Mann, who was a little more critical, admitted that there was a great deal to be said for those recommendations, though they fall short of what he would himself have recommended. Well, now, the Government of India have adopted and accepted, I think, nearly all—with one exception, which I will say a word about in a moment—the recommendations of that Committee, and they will see, I am perfectly sure, that they are adopted and acted upon and carried out. Therefore I cannot see that the

occasion has yet arisen for a new inquiry, and I think the Government of India would be perfectly within their rights if, were I to say to them—following your desire—"I do urge you to have another inquiry," they were to say "But will you not give us time to see what comes of the present rather copious set of recommendations made by the present Committee?" Copious they seem to you, do they not, though not exhaustive? I do not think that I can promise you—I am sorry to disappoint you—that I will make a recommendation to the Government of India to make a further inquiry; but what I will promise is this, to inform the Government of India that I have received, and had pleasure in receiving this deputation, that it represents important opinion, and that the objects you have in coming here were enforced by statements of fact and by reasonable arguments; and I will take care that they have a report of all that has been said, and I am certain that they will weigh well the effect and force of it.

Gentlemen, I would say in reply to Dr. Mann, that you must not suppose that the Government of India, or, indeed, any other Government, really is callous and conscienceless, or that it only keeps what he has called—I have already noted it—an "official conscience." Well an official conscience is better than none. It is the conscience that is proper when you are dealing with great affairs of State and of Government. An official conscience means—well, I will not detain you with a definition; but I will say this, that the Government of India have considered, without a further inquiry, the causes of the undoubted increase and spread of drinking habits, and they have set forth their views in what strikes me, who have thought of these things for a great many years, as thoroughly reasonable. They take a large body of social conditions which undoubtedly lead to a greater consumption of exciting and intoxicating liquors. I think it was admitted all through that the Government of India is perfectly clear of stain or reproach in having declared its entire sympathy with all efforts that can be made to decrease consumption. They throw off, as they are bound to throw off, revenue interests; they throw them off and they declare—in perfectly good language—that fiscal considerations are important not as an end in themselves, but simply because the most effective method of forwarding the policy of Government in regard to consumption is to make the tax upon liquor as high as it is possible to raise it, without stimulating illicit production. Do remember this. There is an excellent illustration constantly present in my mind in all questions of social reform, an illustration of Herbert Spencer's, where he is warning people against the idea that you can make a reform whenever and wherever you like; and he says: "Take care you are not producing another evil when you are relieving a mischief; it is as though you have a great plate of metal with a bulge in it, and you come down with a blow from the hammer of State intervention; the bulge disappears, but it has reappeared at the other end of the plate." Therefore the Government is bound to be careful in what it does; and the Government of India, I should say, view with satisfaction and commendation the growth of revenue; but they expressly dissociate themselves from that, for they say that the most effective method to forward their policy is to make the tax upon liquor as high as it is possible to make it, and is the most effective remedy without stimulating illicit production to a degree that would increase rather than diminish the total consumption.

Well, now as to causes, I see in these papers the passage that I mean, and I say that it is an explanation which, gentlemen, we ought to bear in mind when we are considering the whole of this temperance question—bear it in mind in this country, but still more in a country where it is horrible to think that, by want of energy now—or by misdirected energy, which is very often as bad as want of energy—we allow this dreadful curse of our own social system to spread there. Now what do the Government of India say? They say that the industrial development of India, diverting labourers to large towns just as we find here, as they find in our own white Colonies—where they are employed at relatively high wages on exhausting work and are at the same time free from the checks afforded by local public opinion of their own villages, is bound to lead to larger consumption. And when we are boasting of the glorious work that we do—much of which will justify boasting—in spreading our Western civilisation into India, I for one never forget that by spreading there also our industrial system—and the mischief that has flowed from it, along with all its many blessings and evils, is a thing that we cannot overlook, and is a tremendous counterbalance to all those advances of civilization on which we justly pride ourselves,—we are making the same causes to produce the same lamentable results in eastern countries as they produce here.

On one single point more I would say a word. I think everybody who has spoken has complained of the Government of India for not adopting the recommendation of the Excise Committee to substitute for the auction system the system of selecting licenseholders. Well, it is a very difficult question as we well know, but discussions have gone

on all my lifetime in this island as to what is the best system of license. Of course, as some of you here, no doubt, think, the best system would be no license at all; but what is the best system of license? The Government of India think, as far as I understand their views, that by the system recommended and suggested by the Excise Committee you would be creating a vested interest. You might be doing it legally; but I should be afraid if the Government of India were to adopt that suggestion, and therefore, so far as my own, in this respect, outside opinion goes, I cannot but think that the Government of India are on the right tack. But, be that as it may, it is not for me to decide. The Government of India must discuss it with their revenue authorities, and whether they are eventually converted to the view of the Committee or not, or whether they adhere to the auction system, we shall discover. I cannot myself undertake to exercise any pressure of this view upon them, because the local circumstances, which are really decisive in these things, make it impossible, I think, for any of us, except those gentlemen who have been to India, like Dr. Mann, to pronounce definite opinions.

Well now, gentlemen, really that is all I have got to say. I am all interest in the subject. I am greatly interested in it, especially in its reference to India, as to which I have not had time very deeply to consider it; but I will tell the Government of India what has passed this afternoon, and I am sure that it will have the effect, at all events, of making them more zealous than before, if it be possible and wise, to forward movements for putting down this drink traffic. It is not promoting temperance in India after all. In this island, and perhaps other islands too, the people are not naturally inexorable abstainers; in India they are naturally abstainers; and I am sure the Government of India are as anxious as any of us can be to prevent the spread of this dire new additional plague.

MR. ROBERTS: Mr. Morley, I am sure I am expressing the view of all of us when I say that we thank you very heartily for your reception of us this afternoon, and for your appreciation of the interests which this Deputation represents. There is one question that I would like, with your permission, to put to you. You have indicated your views upon what we have laid before you, and you have also said that the report of these proceedings will be communicated to the Government of India, and that no doubt the Government of India will give what has been said to-day due consideration. I may say that we recognise in coming here that it was absolutely impossible for you to-day to give any decision upon the many points which we have brought before you. Our desire was that you should consider, and that the Government of India should also consider, the representations which we have made. We have handed in a preliminary statement, circulated to the members of the Deputation this morning, but with your permission we would like to forward to you that statement in a more complete form, with more figures and facts than it was possible to quote in the space of a memoraudum, and, if you agree to that course, we should be very glad if you could see your way to forward the memorandum in a complete and final form to the Government of India, as representing what we have said to you to-day.

MR. MORLEY: I am not very fond of pledging myself to documents that I have not seen, but I do not think there is likely to be any difficulty whatever in my doing that.

No. 2.

Statement submitted by Mr. Herbert Roberts, M.P., on behalf of the Deputation which waited upon the Secretary of State for India on the 1st August, 1907, relative to Excise Administration in India.

1. During the deputation which waited on the Secretary of State for India on 1st August last, relative to Excise Administration in India, it was suggested that a more complete statement of the position of the Deputation should be prepared and laid before the Government. The present is such a statement, and has been drawn up in accordance with the promise then made.

2. The fact that the consumption of alcoholic liquor, and especially spirits, is increasing can no longer be doubted by any student of the condition of things in any province in India, It is shewn by the increase in revenue being greater than the increase in taxation or improved administration would warrant, as well as by the testimony of

almost every close observer of the social conditions. As the increase is recognised by *most* excise authorities also, it is perhaps unnecessary to labour the point as much as would have been otherwise the case, but it is advisable to make the fact and the conditions of this increase as clear as possible.

As regards the revenue, the figures for the net produce of the excise taxation from liquors and drugs are sufficiently decisive, whether considered as totals, or in relation to the population of the country. They are as follows* :—

Date.	Total Revenue.	Revenue per 10,000 of Population.	Date.	Total Revenue.	Revenue per 10,000 of Population.
	£	£		£	£
1874–75	1,755,000	—	1900–01	4,239,000	—
1883–84	2,840,000	139·1	1902–03	4,741,000	202·7
1894–95	3,965,000	176·8	1903–04	5,476,000	231·8
1895–96	4,118,000	182·8	1904–05	5,861,000	245·7
1897–98	3,940,000	—	1905–06	6,281,000	260·7
1898–99	4,107,000	—	1906–07 (estimated)	6,510,000	267·5

As it is important to make evident the fact that this huge increase in revenue is confined to no corner of the country, but is universal, it is only necessary to compare the revenue in several of the more important provinces at several dates.

Provinces.	Liquor Revenue.				Country Spirit Revenue.			
	1891–92.		1901–02.		1891–92.		1901–02.	
	Total.	Per 10,000.	Total.	Per 10,000.	Total.	Per 10,000.	Total.	Per 10,000.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Bengal	81,32,416	1144	91,88,467	1231	48,14,643	677	70,21,727	941
Assam	3,96,071	731	7,20,870	1252	3,58,687	662	7,02,814	1220
Bombay	79,16,478	4942	82,46,874	5382	65,00,537	4058	66,96,490	4370
Madras	1,23,86,778	3478	1,32,00,454	3466	55,89,050	1569	53,69,542	1406
United Provinces	37,55,307	801	58,49,587	1215	32,02,731	683	50,02,864	1048

In all but one of these cases there has been a further increase till in 1905–6† the revenue stood as follows :—

Provinces.	Liquor Revenue.		Country Spirit Revenue.	
	Total.	Percentage increase over 1901–02.	Total.	Percentage increase over 1901–02.
	Rs.	Per cent.	Rs.	Per cent.
Bengal	1,02,04,454	11·05	82,67,892	17·75
Assam	7,09,175	−1·62	6,88,877	−1·98
Bombay	1,12,10,643	35·94	93,07,107	38·98
Madras	1,75,60,689	33·03	76,07,078	41·67
United Provinces	70,16,874	19·95	56,48,662	12·71

We shall indicate in the sequel what we think is the cause of the recent decrease in Assam, but the condition of things shewn by these figures is sufficiently serious, we think, to cause everyone interested in the future well-being of India to pause and at least consider the meaning of the huge increase.

* These figures are obtained partly from the "Statement exhibiting the Moral and Material Progress and Condition of India," partly from a reply given by the Secretary of State to a question in the House of Commons, on April 15th, 1907.

The calculations per 10,000 of population in the case of the years since 1901 have been made on the supposition that the rate of increase in population has been the same as in the decade 1881–1891 ; if this is wrong it will probably tend to make the revenue per 10,000 of the population too low.

† For Bengal and Assam the revenue is given for 1904–5, instead of 1905–6, as the partition of Bengal complicates matters in the latter year.

3. There have been those who deny that these figures, calculated from revenue only, represent a very material real increase in consumption, but chiefly greater care in recovering revenue, and higher duties on the liquor consumed. The effect of the latter can be eliminated by taking the *quantity* of country spirit consumed in the distillery areas of the provinces instead of the revenue as the guiding figure in these matters. It will be seen that the increase in quantity consumed, especially in Bengal, is sufficiently obvious, though the occurrence of famine in Bombay, and, to a less extent, in Madras, caused (between the periods represented by the two figures given) a temporary reduction in the famine years.

QUANTITY OF COUNTRY SPIRIT CONSUMED IN DISTILLERY AREAS.

Provinces.	1894–95. Gallons, London Proof.	1904–05. Gallons, London Proof.
Bengal	4,55,595	7,00,100
Bombay	20,73,730	23,83,878
Madras	12,55,665	12,79,537
United Provinces	10,05,521	14,45,557

That is to say, the actual consumption of country spirit, in distillery areas only, has increased in the ten years as follows :—

Bengal	53·8 per cent.
Bombay	15·0 „
Madras	1·9 „
United Provinces	43·8 „

The fact that the increase in Madras is only slight, is a feature which temperance reformers would be glad to note in itself were it not accompanied by an enormous increase in the amount of foreign liquor, or spirits dutiable as such, produced in the country. In the other cases which have not been visited by famine, the increase (not in revenue, but in actual gallonage consumed) is between 40 and 55 per cent. In Bombay, where a disastrous famine has intervened, there is nevertheless an increase in gallons consumed of fifteen per cent. In each case except Madras, the percentage increase is much greater than the percentage increase in population.

4. In view of these figures it is not necessary to lay before the Government a large number of official or private opinions as to the increase of the drinking habits. They can be found in the pages of excise reports, in the speeches of governors, officials and private individuals, and in the Excise Committee's report. We may, therefore, turn to a consideration of what have been alleged to be the causes of this increase, and try and indicate, so far as present information gives the opportunity, the weight to be attached to each of these causes.

5. Before doing so, we would, however, desire to urge most strongly the point insisted on by the deputation to Mr. Morley on August 1st, that the materials for getting at the causes of the present increase do not exist. While we recognise that to get at the absolute bottom of the question would demand many years of the most serious sociological inquiry, we cannot help feeling that much more information on this point should be at hand before large changes in excise policy are made. To carry out the expressed policy of the Government, it is essential to understand, so far as is possible, the nature of the problem to be faced. This cannot be ascertained either from excise reports, the Excise Committee's report, or reports of any kind because except for private investigation made in Calcutta, and to a less extent in Assam, there has been no definite inquiry conducted on the subject. Without pressing, therefore, for an impossibly detailed investigation we do feel most strongly that until the causes of the present increase in consumption of liquor are more accurately known, it is impossible to found or to carry out a definite temperance policy, or introduce effective legislation with this object in view. We would, therefore, urge strongly that a small committee be appointed for the purpose of trying to get at the facts of this subject, and that its report should precede any large measure of excise legislation which may be contemplated.

In the meantime, however, we will review the suggested causes of the increase and indicate such information as may be at hand in the matter.

6. In the first place, it has been alleged, chiefly by excise officials, that higher duties are the chief cause of increased consumption. And in a measure this has no doubt been the case. But the figures in paragraph 3 are sufficient to indicate how false this is as an adequate reason. There, not only the revenue, but the actual gallonage of

country spirit consumed, is shown to be increasing in the principal provinces (save Madras) at an enormously faster rate than the population. And they can be repeated for districts in almost every province. We will only give illustrations of the actual gallonage of country spirit consumed in individual districts, where the duty has not varied at all, from Bengal, and of the revenue derived (which should here be a fairly exact measure of consumption) in one or two outstill districts in Assam. These are, of course, only given here as typical, and have been selected almost at random :—

BENGAL, 24 PARGANAS. Duty = Rs. 5 per proof gallon.

1893–94	=	17,254 gallons L.P.
1901–02	=	26,373 „ „
1904–05	=	31,427 „ „
1905–06	=	35,973 „ „

BENGAL—PURI. Duty = Rs. 2 per proof gallon.

1893–94	=	1,894 gallons L.P.
1901–02	=	1,889 „ „
1904–05	=	2,762 „ „

BENGAL—MYMENSINGH. Duty = Rs. 4 per proof gallon.

1901–02	=	26,373 gallons L.P.
1904–05	=	31,427 „ „
1905–06	=	35,973 „ „

ASSAM—CACHAR (Outstill).

Revenue—1893–94	=	Rs. 95,976
1901–02	=	Rs. 1,15,463
1904–05	=	Rs. 1,25,432

ASSAM—GOALPARA (Outstill).

Revenue—1893–94	=	Rs. 17,726
1901–02	=	Rs. 32,800
1904–05	=	Rs. 40,823
1905–06	=	Rs 42,488

These typical cases are sufficient to prove that consumption is increasing independently of higher duties. Complications in the system of excise make it difficult to give equally clear cases for all the other provinces, but the facts are undoubtedly the same in most parts of the country except Madras, and here the increased foreign spirit consumption again complicates matters.

But even were the plea that higher duties account for the principal part of the increase in revenue in a measure true, the fact that the consumption and the revenue are rising concurrently would indicate that the taxable capacity of liquor has by no means been reached. We maintain (and in this matter we believe the Government of India is with us) that the rate of taxation should be as high as possible. We think, however, that very nearly all the taxation should be on the liquor itself and only a small proportion as licence fees. The answer has usually been made to our position that a nearer approach to the taxable capacity of liquor in India would lead to wide-spread illicit distillation. Whether it would necessarily do so or not, the concurrent increase in the consumption with a rise of duty would seem to indicate that this point is still far off.

7. Among other causes of increase in total revenue and in total consumption is, of course, the increase of population. Already we have shown, however, that for the whole of India the revenue per head is itself increasing, having risen in a fairly regular manner from £139 per ten thousand of population in 1883–84 to £203 in 1903–04, and to £267 in 1906–07, that is to say, there has been an increase in consumption *per head* of 92·3 per cent. in 23 years. In actual country liquor consumed per head, where the figures are obtainable, we have the following results, from 1894–95 to 1904–05, in Bengal and the United Provinces. The famines in Bombay and Madras make any calculation of increase of population from census figures for these provinces exceedingly difficult, so they are omitted :—

BENGAL.—1894–95 to 1904–05.

Percentage increase in population	4·99
Percentage increase in gallons of country spirit consumed in distillery areas	53·80

UNITED PROVINCES.—1894–95 to 1904–05.

Percentage increase in population	1·63
Percentage increase in gallons of country spirit consumed in distillery areas	43·80

These figures are conclusive as to the increase in consumption of liquor occurring at a greater rate than the rise in population in the areas to which they refer, and were the figures available, all the evidence would point to the same conclusion for other provinces.

8. It has been, however, held that though these figures show a most evident increase in recorded consumption, yet this increase is largely due to the greater proportion of licit and the lesser amount of illicit liquor that is used; in other words, that it is due to the better administration of the excise laws. No doubt this administration was, and is (as we shall show later), in great need of improvement, and we are prepared to admit that sudden and large increases in revenue are often due to more careful administration of the excise laws. But gradual and progressive increases are not so to be accounted for. So-called improvement in administration would usually be most obvious in the revenue from licence fees, and would later on be shown in increase in receipts from duty, but this has very rarely been the case, as is well illustrated by the figures for Bengal. In this case the increase from fees and the increase from duty seem to move quite independently (except when a check occurs in both as in 1897–98, and again in 1901–02), proving almost conclusively that the regular, steady increase in the consumption must have other causes.

In the case of Calcutta, the regularity and the steadiness of the increase is remarkable, and is given per 1,000 of the population below, as near as can be calculated. (Owing to a blunder in the office of the excise department for Bengal, now acknowledged, for nearly ten years up to 1901–02, the figures published by that office were wrong in this case, and led to the obscuring of the fact on which we are insisting.)

Date.	Population.	Revenue per 1,000 Population.		Quantity Country Spirit per 1,000 Population.
		Total.	Country Spirit.	
		Rs.	Rs.	Gallons, L. P.
1893–94	1,006,700	1843·3	1170·0	163·9
1899–1900 ...	1,141,300	1905·5	1427·4	200·0
1901–02	1,190,027	1816·7	1442·7	197·8
1902–03	1,215,200	1941·4	1545·5	202·7
1903–04	1,240,900	1928·1	1559·4	207·6
1904–05	1,267,100	1940·5	1571·3	208·5

While, therefore, we are prepared to admit that improved administration may account for some of the large and sudden increases in excise revenue, and even in consumption of licit liquor, yet there seems little doubt that this plea fails entirely to account for the gradual and regular increase which has taken place and which has been already illustrated in paragraphs 2 and 3.

But the administration has been and is still undoubtedly open to great improvement. We have already quoted one case of carelessness in returns which led to the publication of misleading figures in every excise report for ten years. But we can quote actual cases in the districts which our correspondents have met with, which show how extremely lax is the supervision and control in excise matters. We will quote one or two cases. There exists a licence for selling country liquor at *Anarbati*, a village near Howrah, Bengal. Some time ago our correspondents were informed that liquor selling was going on at *Antpur*, a newly established railway terminus some miles away. No licence could be traced for the site at the latter place where this was going on, but on inquiry it was found to be the *Anarbati* licence transferred there, without the excise authorities knowing anything about it! An appeal to the district officer caused its return to the proper place, but within a few weeks the licensee had again transferred his shop to Antpur; again without the knowledge of the authorities! That this should go on within a few miles of Calcutta is hardly conceivable. In Calcutta itself, an unofficial investigation revealed the presence in a large number of drink shops of side entrances so curiously concealed that no ordinary observer would detect them—distinctly against the law. These have, since details were published, been closed, but had previously been in existence many years. In the same city shops are nominally closed at 9 p.m., but whether this time is a nominal or a real closing time depends almost entirely on the personality of the Commissioner of Police. During the present year sales have been easy till long after nine o'clock. Such illustrations, showing the lax character of excise administration even in and near Calcutta, could be multiplied almost indefinitely.

But in this connection there are two special cases in Bengal and Assam which are again only illustrations, but which do indicate the action of the authorities towards excise matters. The first of these is the selling of the licences for a number of shops together. This practice is forbidden in the Bengal Excise Manual, Rule 45, Section III. Yet it has prevailed to a great extent in Bengal, if not generally,* and has led to the maintenance of many shops for which individually there would have been no bidders, and whose licenses would hence have collapsed. To get over the difficulty that the price of each shop had to be separately reported, the price obtained for the group "was distributed among the different shops at the discretion of the deputy collector." In other words, the figures reported to the Government have been manipulated. The second illustration concerns the Bengal Excise Rule as to the position of drink shops. This prohibits the presence of such shops (and has done so for many years) "in a bazaar or at the entrance to a bazaar, or near a bathing *ghât* or any other place of public resort, school, hospital, place of worship, factory, in the interior of a village, at the side of a road leading to a bathing *ghât* or other place of public water supply. In some districts the side of a main road or a village inhabited by aborigines of known drinking habits should also be avoided. A liquor shop should not be inaccessible to persons requiring liquor, but it should not be in such a situation as to obtrude itself on the attention of the public or to render persons passing by subject to annoyance from persons drinking." This rule has been in force for many years, and yet a careful unofficial census of shops in certain parts of the province, notably in Chota-Nagpur, has shown that the greater number are in their present position in direct opposition not only to the spirit but also to the letter of the above rule. The fact that such a condition of things exists, despite the definitely laid-down rule of the department, indicates that the administration is animated by other wishes than that of carrying out the policy of Government. This fact, which has been admitted to our correspondents by excise officers themselves, indicates how lax, and even bad, the administration of the excise departments continues to be.

It is, therefore, with something akin to indifference that critics of the excise administration see new rules promulgated or alterations made; judged by past experience it is more than likely they will be ignored in practice as in the three or four cases cited above. And this must continue unless a new spirit can be infused into the department. Hitherto, in practice, increase in *revenue*, and this almost alone, has been the one thing which made a successful excise officer. Sir Frederick Lely states it in his well-known Budget Memorandum. The Excise Committee acknowledges it, and hitherto—except in Assam to a certain extent—there has been no effort to alter the state of affairs.

The only means of changing this condition of things in our opinion is by ceasing to make revenue the principal consideration either in Government resolutions or in Excise Commissioners' reports. That commendation in the department depends on ability to increase revenue is the opinion usually expressed to our correspondents by excise officers, and a perusal of the reports and resolutions themselves justifies the opinion. We will give a few short extracts, which are taken at random from various provincial reports :—

"I am not satisfied that the attitude of excise officers towards applicants for licences to sell Rosa Rum is always an entirely just one, and that it is not partly responsible for the slow progress this spirit makes in the popular favour."—A. B. Bruce, United Provinces, Report, 1900–01.

"It is satisfactory to find that the revenue increased under all heads except opium."—Proceedings of Government of Madras. Dept. 1900–01. "The Government notes with satisfaction the increase of thirty-six in the number of depôts opened for the distribution of country spirits to retail venders."—Proceedings of Government of Madras, Revenue Dept., 1900–01.

"The Question for decision is, shall we sit quiet and allow the movement to continue and to spread and thereby to forfeit a large amount of revenue, or are measures to be adopted which will bring the people to their senses."—Bombay Commissioners' Report, 1886.

"The result has been satisfactory, and there has been a noticeable increase in the revenue in five out of the eight Bengal districts where the District officers personally held and attended the sales."—Eastern Bengal and Assam Commissioners' Report, 1905–06.

"Mr. Raghunath Prasad, employed as Excise Extra-Assistant Commissioner, is highly spoken of by his Deputy Commissioner; the great success of the new system in the Wun (Yeotmal) District is no doubt largely due to his exertions. In this district the demand proved nearly four times greater than that specified in the Tender, and in Wardha, though already entirely under a distillery system, licit consumption proved 40 per cent. higher than expected."—Central Provinces Report, 1905–06.

"No branch of revenue responds better to attention than Excise, and a substantial portion of the increases now being obtained is due to the greater attention paid to Excise following on the visit of Mr. Todhunter's Committee."—Central Provinces Report, 1905–06.

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* *See* Excise Report, Eastern Bengal and Assam, for 1905–6, para. 12.

Many other quotations might be cited if space allowed, but the spirit which pervades the reports is nearly always the same. Satisfaction when revenues goes up; commendation of officers in whose districts the increase has occurred; dissatisfaction when the revenue goes down, are, with a few notable exceptions, practically always shown. We think the attitude should be—and must be if real reform is to take place—precisely the reverse. A reduction in consumption should be a title to commendation, an increase should call for a searching inquiry; while improvement of the staff of the department should be such that the administration would be really improved in the sense of trying to restrict rather than to encourage the consumption of liquor. This spirit has been recently discernible to a certain extent in Assam, and to a lesser extent in the Punjab. In 1904 the Government of India instructed the local authorities in Assam to go on the lines of limiting consumption, as suggested in a memorandum by Mr. (now Sir James) Buckingham, and strictly supervising the sale of liquor. (See letter No. 2015 S.R. Calcutta, March 26th, 1904, reprinted in Papers relating to Excise administration in Assam, 1904.) The result has been remarkable. One of our correspondents who has constantly travelled in the Assam Valley tells us that the improvement is quite marked, and is generally recognised by tea planters. True the revenue has gone down (see para. 1), but there is a very general feeling among the excise staff that the Government is in favour of a very watchful eye being kept on consumption, and the whole spirit in which matters are worked has been, at least temporarily, altered. This is illustrated by the figures for consumption in one or two districts, which we will quote :—

SIBSAGAR.				
1901–02	...	...	Revenue Rs. 1,49,147	
1904–05	...	...	,, Rs. 1,15,098	(following reforms).
1905–06	...	...	,, Rs. 1,30,922	
CACHAR.				
1901–02	...	...	Revenue Rs. 1,15,463	
1904–05	...	...	,, Rs. 1,25,432	
1905–06	...	...	,, Rs. 1,16,691	(following reforms).

In each case though there has been an increase of population, there has been a decline in consumption following the reform of 1904.

9. Among the causes of increase of liquor drinking, the prevalence of plague is often given. This has been specially brought forward as an important factor in the Punjab, and in Nagpur (Central Provinces). In any case it is a cause which, on present inadequate information, it is quite impossible to value. If, however, it is a material factor in increasing consumption, and we have no reason to doubt that it is, the obvious duty would be to warn the public of the danger of alcohol consumption in connection with this disease. This is no new suggestion. That the Government should take a positive temperance attitude, is only to act on the lines which are now taken by a large number of English municipalities, and it was urged with considerable force before the Excise Committee in India. It is, furthermore, the logical outcome of the declared policy of the Government. And seeing that the consumption of drink is held by medical opinion, not to be merely inefficacious as a prophylactic against plague, but to be actually a favouring cause, we have no hesitation in urging that the people should be warned against the danger in plague stricken districts, and the question of the special reduction of facilities in these districts should be considered.

10. We now come to what are probably the most important of the natural conditions at present favouring an increased consumption of intoxicating drink. These are (1) the change from agricultural to industrial conditions; (2) the incipient breaking down of the caste system; and (3) the apparently increasing prosperity of the bulk of the people. It is difficult to judge in any way to what extent each of these causes is responsible, and an inquiry, as already suggested, is, in our opinion, very urgently needed, as only after such an inquiry could the best way of carrying out the definite temperance policy of the Government be ascertained.

That the increase is not entirely due to the change from agricultural to industrial conditions is obvious, because it is occurring in districts which are and have been always purely agricultural. Two such cases are cited in Bengal (Mymensingh and Puri) in paragraph 6. Others might be given for Madras, the United Provinces, or other parts of India, but the rate of increase has, of course, been much greater in growing industrial centres. The second point above—the incipient breaking down of the caste system—as a cause of increased drinking was most obvious during the unofficial investigation made

n Calcutta during the past three or four years. High caste men who, a few years ago would never have been seen visiting a drink shop, now form in many cases a large proportion of the drinkers. This we consider is a matter of extremely serious moment, and, by itself, almost sufficient to call for an early and searching inquiry. The higher castes were found to drink usually cheap foreign spirit. We cannot look upon the future, if the higher castes become drinkers, without terrible misgiving.

It is because of the, at present unknown, stress which should be laid on each of these three important factors in the extension of the drink habit, that we are so insistent on the need for an inquiry into the causes underlying the present extension of the drink habit.

11. We come finally to what has been always considered by temperance critics as one of the principal causes of increase, namely, the direct action of the Government. It seems to become only clearer every year that under the plea of supplying an already existing demand, the Government is directly encouraging consumption. It seems also that the general system of licensing is framed so as, while obtaining a definite financial return, to encourage as much as possible the use of liquor.

We may take the second of these positions first, especially as, in the main, our contention is supported by the Excise Committee. We consider that any system of licensing which has the auctioning of licenses as its base, and where, as a result, the fees paid for the license form an appreciable proportion of the revenue from a shop, the incitement to drink must be great. Such a statement as the following by Mr. Geake, the Commissioner of Excise for Bengal (Report 1905–06), seems to show a total failure to grasp the principles on which excise taxation as a measure restrictive of consumption rests. He said, speaking of the position which the temperance critics have taken, "Alcohol apparently enjoys the exceptional advantage of being the sole commodity which flourishes in proportion as taxation upon it is increased. Beyond vague asseverations there is, however, no attempt at a scientific explanation of the economic paradox involved in the allegation that in this particular instance both manufacture and consumption are encouraged by the imposition of additional taxation. Such a theory does not appear very acceptable to the producers or consumers of tea, sugar, cotton or any other merchandise....." Now so long as the taxation on liquor is divided into two parts—fees and duty—and the former are determined by auction, so long must it be recognised that the economic effect of increased revenue from liquor may be either to restrict or to *actually encourage* drinking. If the whole revenue were composed of duty then the contention of Mr. Geake (*see above*) would be unassailable for every increase in duty necessarily increases the cost by precisely the amount of the duty and discourages consumption approximately to this extent. The increase of duty on foreign spirits in 1906 had this effect exactly.

But the economic effect of taxation by license fees is totally different, and here an increase may actually encourage consumption, and not hinder it. For in practice any increase in license fees has no effect on the price of liquor, unless all fees are raised in the same proportion, which never happens. *If more is paid for the licence, the licensee must recoup himself by increase in sales and not by increase in prices.* There is no other way: the increase of taxation by license fee must mean inducement to sell more and more liquor. This is the basis of our condemnation of the auction system, which we consider encourages the consumption of liquor by giving the greatest inducement to sell as much as possible, and in this sense is inconsistent with the declared policy of the Government of India. In this matter we have the support of the Excise Inquiry Committee (Chap. X. of their report), of the Excise Commissioner for the Punjab (Major Parsons), of the general practice of other countries, with the exception of certain States of America.

It was one of our disappointments in connection with this subject that the Government of India (Orders, dated May 16th, 1907) have decided to ignore their own Committee and recommend the continuance of a competitive auction system. We desire to urge that even yet this decision should be reviewed, if possible, after more adequate and impartial inquiry than the Excise Committee were able to give.

The matter would not be so serious if the proportion which the licence fees bear to the total taxation were very small. But it is very high. The attached table shows the proportion in each province for 1901–2, the latest easily accessible figures.

Provinces.	Charges per Gallon (proof) of Liquor.			
	By Duty.	By Licence Fees.	Total.	Proportion of Licence Fees to Total.
	Rs.	Rs.	Rs.	Per cent.
Bengal	3·6	2·1	5·7	37·0
United Provinces	2·2	1·9	3·1	61·3
Punjab	4·0	2·5	6·5	38·5
Madras	4·1	1·8	5·9	30·5
Bombay	3·3	·4	3·7	10·8
Sind	5·1	·2	5·3	3·8
Central Provinces	2·1	1·7	3·8	44·7
Berar	2·3	1·7	4·0	42·5

In every case, therefore, except in Bombay and Sind, the licence fees are over 30 per cent. of the country spirit revenue. That is to say, the element of the drink revenue *which definitely encourages consumption* is over 30 per cent. of the total (on country spirit). And we feel strongly that this state of things can hardly be done away with so long as there is an auction system of disposing of the licences. We cannot think that the explanation of the Government's position (see paras. 10, 11 and 12 of the Orders above referred to) is either satisfactcry or really adequate, and we feel that the difficulties there mentioned as following any other method but that of auction are such as can be and ought to be got over by better administration, and not by sticking to a system which the Excise Committee has branded as being wrong in principle.

12. We have already said that we consider that the Government encourage consumption not only by their system of licensing, but also by maintaining the number of shops and by placing these in the most prominent positions. We have been pleased to note a tendency towards reducing the number of shops in certain of the provinces in the last few years, but this has only taken effect recently to any great extent. The actual numbers of country spirit and of total Excise licences on three separate dates has been as follows :—

Provinces.	Total Excise Licenses.			Country Spirit Retail Licenses.		
	1891-2.	1901-2.	1905-6.	1891-2.	1901-2.	1905-6.
Bengal	26,705	25,254	40,775	2,919	3,349	3,798
Assam	1,608	1,374		194	218	
United Provinces	16,325	15,351	15,844	(Figures not obtainable.)	6,022	5,971
Punjab	5,176	4,276	3,908		1,265	1,237
N.W. Frontier Province ...		247	278		54	51
Burma	1,800	2,140	1,936		68	133
Central Provinces	9,770	8,674	10,339		6,003	6,425
Berar	2,591	2,660			1,078	
Bombay and Sind	7,250	6,839	15,539		2,756	2,806
Madras	33,179	31,286	31,841		10,296	10,267

We maintain that in most parts of India the number of shops is too large. This has been recognised in places by the Excise Committee. They say "*Tari* shops are too numerous in Behar"; in the Punjab "the number of country spirit shops in towns . . . . should be scrutinised"; in Madras "the foreign liquor taverns should be reduced in number"; and again "the number of shops, particularly in towns and large villages, should be reduced"; in Coorg "the number of shops might be reduced." In Calcutta it has been found possible in 1905 to reduce the number of country spirit and rum shops by over 10 per cent. at one swoop (147 to 132), and no evil result has followed. We wish for a general policy of limitation of facilities because we cannot help recognising that in many cases it is the presence of the shop, largely, which causes the drinking. This was insisted on by Sir Frederick Lely in the memorandum already quoted; it came out most clearly in the Calcutta investigation already mentioned; one of our correspondents in particular has given us very striking instances of this being the case in Assam, and many more cases might be quoted. The greatest hesitation should, therefore, occur before a new shop is licensed. To us, the ultimate introduction of a system of local option will alone meet the difficulty of licensing just the number of

shops for which there is an absolute demand and no more. This, we understand, is not favourably considered at present by the Excise Committee nor by the Government of India. In its default, however, we would urge that, at any rate, the licensing power should be removed from the hands of those who have to receive the revenue. We should welcome the power of licensing becoming a judicial function in charge of a judicial officer like the chief Presidency Magistrate in cities like Calcutta, or the Sessions Judge in non-urban areas. If this is not possible, we would welcome the power being given to Municipal Corporations in towns or to local boards in rural districts. We think, however, the separation of licensing from the receipt of custom a vital point in carrying out any system of restricting the increase in drinking, and can hardly consider any reform as real unless this is a part of it. In this we are supported by practically the whole of the press—European and Indian—in India, and some of the most influential papers (such as "Capital" Calcutta) have expressed themselves very emphatically on the point.

If it is found impossible (and we see no reason why it should be) to separate the two powers of licensing and revenue, we would suggest that, as far as new licences are concerned at any rate, not only should definite local inquiries be made, but some procedure analogous to that which takes place in the compulsory purchase of land under the Lands Clauses Act in England should be adopted, where all objections would be heard by a Commissioner specially appointed for the purpose, in public, who would be obliged to register his grounds of decision, which would be made public.

Then, we believe the Government of India has agreed to the proposal of the Excise Committee to prescribe a maximum number of shops in each district. We are glad of this, but can hardly see why it should be necessary equally to prescribe a *minimum*.

We have already mentioned that not only the number of licenses and the manner in which they are now given are open to serious objection, but also that the positions in which they are placed afford a justification for the belief, on the part of many critics, that the excise authorities distinctly foster the drink traffic. To take two big towns only, Calcutta and Madras. In the former city, out of fifty-six country liquor shops in the old town area, no less than thirty-three are on the three main roads north and south, and the three main roads east and west, and a large number of them occupy the most prominent corner positions. In Madras, the taverns for the sale of *arrack* are often almost in rows. We are aware that the Excise Committee has recommended the reduction of the number of taverns in Madras. We are also aware that the Government has agreed to the examination of the positions of the shops in Calcutta by a special Committee. But these are belated reforms of abuses to which special attention has been called in the places cited. The case already quoted of Chota Nagpur, where the bulk of the shops are in positions which defy a rule of their own department is one illustration, and one only, of a very widespread practice of placing shops in the most prominent positions. Then the structure of the shops has been most open to objection, but in this matter we believe that the Government propose to issue orders covering the recommendations of the Excise Committee, with which we heartily agree.

13. We have now, in the form of a discussion on the basis of present evidence as to the causes of increase in drinking habits, indicated what we consider should be the lines on which excise reform should go in India. It may be well to summarise here the points which we are anxious specially to urge. They are as follows :—

(*a*) The recommendations of the Excise Committee with regard to the construction of shops, the restriction of sales to children and to drunken men, the abolition of the employment of women, the enforcement of an early closing hour should be carried out in their entirety.

(*b*) The *maximum* number of licenses in every district should be fixed.

(*c*) The Bengal rule, properly carried out, should be made absolute as regards the positions in which liquor shops should not be placed.

(*d*) No new license should be given, or no transfer made, without a proper local public inquiry. We suggest a procedure in the matter analogous to that under the Lands Clauses Act in England, and deference should be paid to local opinion.

(*e*) The authority granting the license should *not* be that which has to receive the revenue. We suggest either a judicial authority or an elected authority like a municipal corporation or local board might be used for the purpose.

(*f*) The direct encouragement to sale which is inevitably the result of the auction system should be removed by the substitution of a higher duty and small fixed license fee as recommended by the Excise Committee.

(*g*) The Government should not merely maintain a negative attitude "on the side of abstinence," but should adopt a positive one by at least (1) considering in all excise administration an increase in consumption as being a matter calling for inquiry rather than as a ground of satisfaction and commendation; (2) encouraging temperance as do English municipalities by definite warnings as to the evils of drink; and, in towns, by providing open spaces with attractions, where no drink can be obtained; (3) making temperance teaching (as a part of hygiene) compulsory in all schools.

(*h*) The administration of the present excise rules, which is at present (as we have shown in at least one case) often a dead letter, should be improved at any cost, and by commendation of the officers involved on consumption going down and the like methods, every effort should be made to change the spirit animating the excise departments.

14. But all this is only recommended in case our strong suggestion for an inquiry by a more impartial body than the last Excise Committee into the causes of the present increase in consumption be rejected. We are not satisfied that, at present, these causes are known sufficiently to permit of legislation on the lines of the Excise Committee's report or otherwise, and firmly believe that any such legislation would be premature. We feel that more knowledge of these causes is an essential preliminary to a well-considered plan of excise reform. We believe, however, that the suggestions we have made are based on a more thorough examination of the question than has, hitherto, been made, and pending the more complete inquiry which it is hoped will be instituted, we believe they will be found the best existing basis for a policy of real excise reform.

APPENDICES.

TABLES OF COMPARATIVE FIGURES RELATIVE TO COUNTRY SPIRITS CONSUMED IN THE PRINCIPAL PROVINCES.

—	Total Revenue (Gross).	Revenue from Duty.	Revenue from Fees.		Consumption of C. Spirits in Distillery Areas.	Number of Retail Shops.
			Distillery Areas.	Outstill Areas.		
BENGAL.						
	Rs.	Rs.	Rs.	Rs.	Galls. L.P.	
1891–92 ...	48,14,643	15,50,123	8,14,375	24,50,145	3,99,384	2,919 (1,149+1,770)
1892–93 ...	50,23,417	15,43,048	8,60,015	26,20,354	3,98,478	3,106 (1,175+1,931)
1893–94 ...	51,96,557	15,62,947	8,25,886	28,07,724	4,16,857	3,289 (1,255+2,034)
1894–95 ...	54,97,599	16,98,642	8,06,044	29,92,913	4,55,595	3,255 (1,217+2,038)
1895–96 ...	58,50,251	17,95,429	8,81,324	31,73,528	4,90,476	3,288 (1,197+2,091)
1896–97 ...	60,21,351	17,77,384	10,11,430	32,32,537	4,78,687	3,288 (1,191+2,097)
1897–98 ...	55,27,396	16,73,122	10,13,325	28,40,949	4,42,104	3,211 (1,193+2,018)
1898–99 ...	60,33,546	19,67,440	10,73,628	29,92,478	5,30,083	3,262 (1,186+2,076)
1899–1900...	65,13,739	21,00,315	11,53,462	32,59,962	5,74,952	3,288 (1,192+2,096)
1900–01 ...	67,67,430	21,80,693	12,25,834	33,60,923	6,08,298	3,286 (1,206+2,080)
1901–02 ...	70,21,727	21,75,558	12,77,580	35,68,589	6,10,354	3,349 (1,221+2,128)
1902–03 ...	74,58,587	23,21,154	14,10,866	37,26,567	6,52,009	3,371 (1,237+2,134)
1903–04 ...	79,03,682	24,46,787	14,43,653	40,13,222	6,92,664	3,371 (1,237+2,134)
1904–05* ...	A. 82,67,892	24,79,837	14,94,745	42,93,310	7,00,100	3,409 (1,255+2,154)
	B. 73,80,405	23,70,746	13,72,052	36,37,607	6,75,984	3,091 (1,089+2,002)
1905–06 ...	80,18,359	25,62,842	15,93,332	38,62,185	7,26,508	3,015 (1,141+1,874)

* Two sets of figures are given for the year which cannot be reconciled, one is in the Report for 1904–05 (A), and the other 1905–06 (B).

—	Total Revenue (Gross).	Revenue from Duty.	Revenue from Fees.		Consumption of C. Spirits in Distillery Areas.	Number of Retail Shops.
			Distillery Areas.	Outstill Areas.		
ASSAM.						
	Rs.	Rs.	Rs.	Rs.	Galls. L.P.	
1891–92 ...	—	—	—	3,58,687	—	194
1892–93 ...	—	—	—	3,69,800	—	192
1893–94 ...	—	—	—	4,07,600	—	200
1894–95 ...	—	—	—	4,39,153	—	206
1895–96 ...	—	—	—	5,02,847	—	213
1896–97 ...	—	—	—	5,54,841	—	218
1897–98 ...	—	—	—	5,48,407	—	217
1898–99 ...	—	—	—	6,28,651	—	218
1899–1900...	—	—	—	6,65,060	—	221
1900–01 ...	—	—	—	6,95,997	—	217
1901–02 ...	—	—	—	7,02,814	—	218
1902–03 ...	—	—	—	6,95,733	—	216
1903–04 ...	—	—	—	7,07,632	—	213
1904–05 ...	—	—	—	6,88,877	—	213
BOMBAY.						
	Rs.	Rs.	Rs.	Rs.	Galls. L.P.	
1891–92 ...	65,00,537	59,79,957	4,14,590	25,440	—	—
1892–93 ...	65,45,435	61,45,249	3,74,786	25,400	20,68,652	2,586
1893–94 ...	65,23,378	61,96,429	2,96,249	30,700	20,32,703	2,565
1894–95 ...	67,34,729	64,16,093	2,91,236	27,400	20,73,730	2,546
1895–96 ...	70,39,512	66,52,416	3,60,369	26,727	20,96,948	2,522
1896–97 ...	—	—	—	—	—	—
1897–98 ...	69,71,033	65,80,601	3,83,237	7,200	20,38,026	2,523
1898–99 ...	72,40,487	67,47,962	4,85,325	7,200	20,60,280	2,520
1899–1900...	67,20,781	56,16,314	10,90,067	14,400	16,19,926	2,442
1900–01 ...	67,60,987	55,88,175	11,64,412	8,400	17,17,775	2,443
1901–02 ...	66,96,490	60,22,849	6,65,241	8,400	17,92,618	2,463
1902–03 ...	69,47,783	61,89,651	7,49,707	8,425	—	2,463
1903–04 ...	77,97,636	67,34,627	10,57,374	5,625	20,86,955	2,473
1904–05 ...	89,63,315	76,07,467	13,48,573	7,275	23,83,878	2,521
1905–06 ...	93,07,107	83,72,491	9,24,319	10,297	25,39,919	2,514
MADRAS.						
	Rs.	Rs.	Rs.	Rs.	Galls. L.P.	
1891–92 ...	—	—	—	—	—	—
1892–93 ...	—	—	—	—	—	—
1893–94 ...	54,64,141	29,51,817	25,12,324	—	12,62,961	11,402
1894–95 ...	59,76,835	34,78,127	24,98,708	—	12,55,665	11,362
1895–96 ...	62,12,789	36,16,680	25,96,109	—	12,78,403	11,261
1896–97 ...	65,47,240	39,38,147	26,09,093	—	12,10,708	10,636
1897–98 ...	61,04,484	37,61,983	23,42,501	—	11,12,971	10,383
1898–99 ...	55,15,197	31,57,555	23,57,642	—	9,50,227	10,376
1899–1900...	50,04,999	30,14,612	19,90,387	—	8,95,659	10,295
1900–01 ...	50,59,160	32,59,995	17,99,165	—	8,86,369	9,895
1901–02 ...	53,69,542	35,96,534	17,73,008	—	8,75,755	10,296
1902–03 ...	60,49,235	41,58,042	18,91,193	—	10,18,925	10,072
1903–04 ...	71,77,725	49,74,072	22,03,653	—	12,14,660	10,178
1904–05 ...	76,89,243	51,81,517	25,07,726	—	12,79,537	10,316
1905–06 ...	76,07,078	50,15,593	25,91,485	—	12,30,168	10,267

UNITED PROVINCES.

—	Total Revenue (Gross).	Revenue from Duty.	Revenue from Fees.		Consumption of C. Spirits in Distillery Areas.	Number of Retail Shops.
			Distillery Areas.	Outstill Areas.		
	Rs.	Rs.	Rs.	Rs.	Galls. L.P.	
1891–92 ...	32,02,731	19,49,848	8,72,091	3,80,792	—	—
1892–93 ...	35,75,389	22,36,844	9,23,953	4,13,590	11,15,672	6,713 (5,257+1,456)
1893–94 ...	38,44,025	23,16,771	10,51,689	4,75,565	11,58,785	6,614 (5,195+1,419)
1894–95 ...	45,90,881	20,10,781	10,91,715	4,88,385	10,05,521	6,276 (4,894+1,382)
1895–96 ...	32,56,531	18,25,474	10,05,089	4,25,968	9,11,599	6,276 (4,881+1,395)
1896–97 ...	23,77,315	12,88,793	7,71,531	3,16,971	6,60,656	6,126 (4,697+1,429)
1897–98 ...	28,74,235	17,24,699	7,97,040	3,52,496	8,84,964	6,029 (4,635+1,394)
1898–99 ...	36,72,019	22,75,633	9,63,064	4,33,322	11,69,429	6,044 (4,568+1,476)
1899–1900...	40,22,876	22,89,467	12,14,163	5,19,246	10,87,623	6,051 (4,544+1,507)
1900–01 ...	42,52,473	—	—	4,79,597	12,14,798	6,022 (4,546+1,476)
1901–02 ...	50,02,864	31,78,223	13,00,296	5,24,345	12,82,766	5,965 (4,525+1,440)
1902–03 ...	55,28,069	33,83,931	15,08,385	6,35,753	13,67,461	5,998 (4,543+1,455)
1903–04 ...	60,84,300	37,35,380	16,03,832	7,45,088	13,83,649	6,013 (4,521+1,492)
(Up to September 30th for this year and previous years.)						
1904–05 ...	64,95,170	39,52,967	17,36,159	8,06,044	14,45,557	5,993 (4,512+1,481)
1905–06 ...	56,48,662	32,20,380	17,03,073	7,25,209	11,48,888	5,971 (4,487+1,484)

PUNJAB.

	Rs.	Rs.	Rs.*	Rs.	Galls. L.P.	
1891–92 ...	—	—	—	—	—	—
1892–93 ...	—	—	—	—	—	—
1893–94 ...	—	—	—	—	—	—
1894–95 ...	—	—	—	—	—	—
1895–96 ...	—	—	—	—	—	—
1896–97 ...	—	—	—	—	—	—
1897–98 ...	—	—	—	—	—	—
1898–99 ...	14,87,093	8,49,373	6,34,567	3,153	(?) 1,57,686	1,378 (1,363+15)
1899–1900...	14,88,029	8,75,081	6,09,494	3,454	3,04,669	1,360 (1,345+15)
1900–01 ...	14,73,230	7,88,407	6,80,942	1,465	2,48,524	1,357 (1,342+15)
1901–02 ...	14,26,815	8,69,298	5,53,642	1,375	2,64,579	1,265 (1,250+15)
1902–03 ...	15,27,976	9,19,371	6,06,175	1,130	3,00,224	1,271 (1,256+15)
1903–04 ...	16,31,019	9,57,372	6,71,152	1,585	3,27,179	1,275 (1,260+15)
1904–05 ...	19,70,334	12,06,956	7,61,408	1,470	3,63,807	1,308 (1,291+17)
1905–06 ...	22,32,206	14,64,114	7,65,662	1,930	4,80,396	1,282 (1,265+17)

* This column includes both wholesale and retail.

CENTRAL PROVINCES.

	Rs.	Rs.	Rs.	Rs.	Galls. L.P.	
1891–92 ...	—	—	—	—	—	—
1892–93 ...	—	—	—	—	—	—
1893–94 ...	—	—	—	—	—	—
1894–95 ...	—	—	—	—	—	—
1895–96 ...	—	—	—	—	—	—
1896–97 ...	22,70,600	—	—	—	2,78,464	7,680
1897–98 ...	18,51,488	—	—	—	3,16,701	7,314
1898–99 ...	21,23,749	—	—	—	3,14,131	7,331
1899–1900...	20,24,085	—	—	—	2,79,931	7,284
1900–01 ...	18,22,905	5,99,763	4,94,688	7,28,454	2,66,180	7,250
1901–02 ...	19,02,891	8,03,661	6,13,579	7,94,700	3,64,370	7,277
1902–03 ...	22,28,620	9,30,982	6,90,997	10,18,161	4,16,382	7,715
1903–04 ...	31,62,606	12,65,823	7,04,783	11,92,000	5,04,083	8,143 (2,344+5,799)
1904–05 ...	40,53,136	13,79,598	10,90,817	15,82,721	5,64,453	7,763 (2,297+5,466)
1905–06 ...	53,70,227	19,42,862	25,60,917	8,66,448	9,75,628	6,580 (2,953+3,627)

No. 3.

Despatch from the Secretary of State for India to the Governor-General in Council No. 200, Revenue, dated the 15th November, 1907.

I forward, for the consideration of Your Excellency's Government, a copy of a Statement relative to Excise Administration in India submitted to me by Mr. J. Herbert Roberts, M.P., on behalf of the deputation which waited upon me on the 1st August, 1907.

2. I desire to receive a full expression of the views of your Government upon the Statement, both in respect of the extent to which the consumption of liquor has increased in India in recent years and the causes of such increase, and also with regard to the recommendations made for improving the excise administration.

I have, &c.,

(Signed) JOHN MORLEY.

No. 4.

Letter from the Government of India to the Secretary of State for India, No. 294, dated Simla, the 8th October, 1908.

In accordance with the request contained in your Despatch No. 200 Revenue, dated 15th November, 1907, we have the honour to submit an expression of our views upon the Statement relative to Excise Administration in India which was submitted to you by Sir J. Herbert Roberts, Bart., M.P., on behalf of the Deputation which waited on you on the 1st August, 1907.

2. From the remarks which you made in reply to the Deputation on the 1st August, 1907, we gather that you are not disposed to consider favourably the suggestion made by the Deputation, and repeated in the Statement submitted by Sir J. Herbert Roberts, that another Excise Committee should be appointed specially to inquire into the causes of the increased consumption of alcoholic liquors in India. We consider the appointment of any such Committee to be entirely unnecessary; while we would strongly deprecate it as being likely, at the present juncture, to offer fresh material for political agitation and attacks upon the Government. It must be admitted that there is a tendency for the consumption of alcoholic liquors to increase among certain classes of the population. The tendency, however, is in our opinion sufficiently explained by causes which are already known. The increasing material prosperity of the people, the steady growth of industrial enterprise, the construction of important public works leading to the more regular and extended employment of labour, the rise in the rates of wages for agricultural and artisan labourers and for domestic servants, the unsettlement of popular ideas and beliefs, and the relaxation of social and religious restrictions on the use of spirituous liquor owing to the spread of Western education, have all contributed to increased consumption. The first four causes have improved the condition and increased the purchasing power of the working classes who, with the aboriginal races, are the principal consumers of liquor in this country. The two last are responsible for the spread of the habit of drinking, to such extent as it may have occurred, among persons who have received some education. It is possible also that the improvement of the quality of the liquor manufactured in India, which has been effected in recent years, may have helped to increase the recorded consumption. The necessity for improving the quality of the country spirit produced in India was urged upon us by Mr. Harold Mann and others; and in the past three years considerable attention has been given to the subject of the production of a more wholesome spirit.

3. In Statements I. and II. attached as appendices to this Despatch will be found statistics showing exactly what increase has occurred in the recorded issues of country spirit from distilleries in India and in the imports of foreign spirits and fermented liquors from 1883–84 to 1907–08. Accurate figures for the years before 1883–84 are in some cases not available.

4. In regard to the statistics of issues of distillery spirit it is necessary to make a few explanatory remarks. It is the policy of the Government of India to abolish the outstill system in all areas in which this may be found practicable, and approval of this policy is

expressed by the members of the Deputation. The quantity of liquor consumed under the outstill system is not recorded, and as the distillery area increases the recorded issues of distillery liquor will also increase. This is a self-evident proposition, but unless it be borne in mind and variations in distillery areas are allowed for, a comparison of the recorded distillery issues of spirit in different years is likely to mislead in regard to the actual increase of consumption. The distillery area has been very largely increased and the outstill area reduced during the period covered by the statistics.

It is important, moreover, to remember that an increase in the recorded issues of spirit even where the distillery area is constant does not necessarily denote an increase in actual consumption. In so far as it may be due to the substitution of licit and highly taxed for illicit and cheap spirit, an increase in the quantity of distillery spirit issued may be accompanied by an actual decrease of consumption. In our Despatch No. 29, dated the 4th February, 1890, we have shown that illicit distillation is exceedingly common in many parts of India ; and that wherever British territory is interlaced with the territory of Native States, smuggling flourishes and the difficulties of Excise administration are materially increased. It is unnecessary to add to the length of this Despatch by recapitulation of the facts and arguments adduced in 1890, as this branch of the subject is not specially referred to in the Statement submitted to you by the Deputation ; but in any consideration of the subject of the consumption of alcoholic liquor in British India it is very important that this point should not be lost sight of.

There is another point which has to be considered. In the early days of the central distillery system, when distilleries were numerous and Excise establishments were badly organised and insufficiently controlled, large quantities of country spirit were smuggled from Government distilleries without payment of duty, and the recorded consumption of distillery spirit was *pro tanto* diminished. The Bengal Excise Commission of 1884 in the extract from their Report which we quoted in paragraph 24 of our Despatch No. 29, dated the 4th February, 1890, drew attention to the importance of this subject. As they observed, the recovery of duty which in former years used to be divided between the distillers and the distillery officials naturally increases the revenue to the extent of the previous frauds but implies no real increase in the consumption of alcoholic liquor. The attention which is now being given, under the orders contained in our Resolution No. 2,994-Exc., dated the 16th May, 1907, on Chapters III. to VI. of the Report of the Excise Committee of 1905–06, to the concentration of distillation will help to prevent the smuggling of liquor from licensed distilleries. Establishments will be strengthened, the the operations of the distillers will be brought under effective control, and collusion between them and the distillery officers will be rendered less likely. But for some years to come it is probable that the prevention of this form of leakage will help to increase the recorded consumption of spirit.

5. Reverting to the actual figures of consumption, we cannot find that Sir J. Herbert Roberts and the other members of the Deputation made any reference to the facts stated and the statistics produced by our late colleague, Sir Edward Baker, in the course of his speech on the Financial Statement of the Government of India for 1905–06. It was there shown by statistics that in the period of 20 years—1883–84 to 1903–04—the consumption of country spirit in distillery areas decreased from 4·95 London proof gallons per 100 of the population to 4·06 gallons, while the taxation imposed on the spirit was increased from Rs. 2-10-7 per gallon to Rs. 4-7-8. 132,000 square miles of territory were transferred from the outstill to the distillery system during the 20 years ; and although the issues of distillery spirit increased from 4,513,945 London proof gallons in 1883–84 to 6,999,328 gallons in 1904–05, the consumption per 100 of the population in the distillery area decreased by 18 per cent. Since 1903–04 there has, however, as the statistics show, been a considerable increase of recorded consumption.

6. Sir J. Herbert Roberts in the course of his remarks on 1st August, 1907, observed that "the vast majority of the people of India are total abstainers by religion, * *," and Mr. H. J. Wilson, M.P., also observed that "in India the great races are by race, religion, habit, custom and everything abstainers." These statements are only partly correct. It is true that the consumption of intoxicants is prohibited by the Muhammadan religion, and to some Hindus of the higher castes alcohol in any form is forbidden. It is, however, also true, as was pointed out in paragraphs 100 and 101 of our Despatch No. 29, dated the 4th February, 1890, that there are aboriginal races in India who not only habitually drink when they are able to do so, but in some instances consider the consumption of liquor to be a part of their religion. Between these two extremes there exists in India many classes to whom alcohol is neither enjoined nor forbidden. Sikhs are not forbidden to use alcoholic liquor and by many of the lower castes of Hindus alcohol is not considered

to be forbidden and is in practice regularly consumed. There is, moreover, abundant historical evidence to show that under both Hindu and Muhammadan rule the prohibition of the use of alcohol, however far it may have extended, was only fitfully and incompletely observed. The members of the Deputation may be referred to the remarks made on this subject by the Bengal Excise Commission in paragraph 7 of their Report, and to the remarks by Mr. Romesh Chunder Dutt, C.I.E., which are quoted in paragraph 10 of our Despatch No. 29, dated the 4th February, 1890. The Muhammadan classics abound in references which show that the use of alcohol was common under the Delhi Emperors. His Excellency the Governor of Bombay has recently pointed out that the same was true under the domination of the Peshwas ; and the historical evidence on the point has been summarised in the chapter on Drink in Mr. S. M. Mitra's "Indian Problems." We may be permitted a quotation from the *Myntakhab-ut-tawárikh* of Budaoni, to show how similar are the liquor problems of to-day to those which faced the Emperor Akbar :—

"Wine also was allowed, if used for strengthening the body as recommended by doctors ; but no mischief or impropriety was to result from the use of it, and strict punishments were laid down for drunkenness, or gatherings, and uproars. For the sake of keeping everything within proper limits His Majesty established a wine-shop near the palace, and put the wife of the porter in charge of it, as she belonged to the caste of wine-sellers. The price of wine was fixed by regulations, and any sick persons could obtain wine on sending his own name and the names of his father and grandfather to the clerk of the shop. Of course, people sent in fictitious names, and got supplies of wines ; for who could strictly inquire into such a matter ? It was in fact nothing else but licensing a shop for drunkards. Some people even said that pork formed a component part of this wine ! Notwithstanding all restrictions, much mischief was done, and though a large number of people were daily punished, there was no sufficient check."

7. We have no desire, however, to appeal to ancient history, or to go further back than the period of 25 years which are covered by the appendices to this letter. Reading the figures given therein with our knowledge of what is happening in India, we feel little ground for doubt that the increase in recorded consumption in the distillery area is largely due to an increase in this area and to the substitution of licit for illicit liquor; that the use of alcoholic liquor by the aboriginal races in India has been restricted by our Excise administration ; and that although the use of such liquor by some other classes of the population does show a tendency to increase, we have hitherto been able to keep this tendency in check by taxation, and we are of opinion that similar measures of repression will be found sufficient in the future. Nor have we any reason to suppose that an increase of consumption implies necessarily an increase of drunkenness. It has been our policy to make the taxation of spirituous liquors as high as possible and strictly to limit the number of shops for the sale of liquor, and in paragraph 2 of our Resolution No. 5001-Exc., dated the 7th September, 1905, the general lines of our policy have been authoritatively defined. We reproduce the summarised definition of our policy which is there enunciated :—

"The Government of India have no desire to interfere with the habits of those who use alcohol in moderation ; this is regarded by them as outside the duty of the Government, and it is necessary in their opinion to make due provision for the needs of such persons. Their settled policy, however, is to minimise temptation to those who do not drink, and to discourage excess among those who do ; and to the furtherance of this policy all considerations of revenue must be absolutely subordinated. The most effective method of furthering this policy is to make the tax upon liquor as high as it is possible to raise it without stimulating illicit production to a degree which would increase instead of diminishing the total consumption, and without driving people to substitute deleterious drugs for alcohol or a more for a less harmful form of liquor. Subject to the same considerations, the number of liquor shops should be restricted as far as possible, and their location should be periodically subject to strict examination with a view to minimise the temptation to drink and to conform as far as is reasonable to public opinion. It is also important to secure that the liquor which is offered for sale is of good quality and not necessarily injurious to health."

8. We shall now examine the specific allegations and suggestions contained in the Statement which has been forwarded for our consideration. It is urged that the large increase of Excise revenue which has occurred since 1874–75 is greater than the increase in taxation or improved administration would warrant, and is mainly therefore due to an increase in the consumption of alcoholic liquor. This contention we believe to be based, to a large extent, on the fallacy that revenue and consumption are synonymous terms. A striking, though doubtless an unintentional, illustration of this fallacy will be found in the beginning of paragraph 7 of the Statement. The revenue has increased from £139 per 10,000

of the population in 1883–84 to £267 per 10,000 in 1906–07—that is to say, argues the Statement, there has been an increase in consumption per head of 92·3 per cent. in twenty-three years. We have given accurate statistics to show the extent to which the recorded consumption of locally manufactured and imported spirits has increased since 1883–84, and it is clear from these figures that the large increase of revenue which has taken place is due to increase of taxation and improved administration to a far greater extent than it is due to increased consumption.

9. The members of the Deputation give figures of comsumption in London proof gallons for Bengal, Bombay, Madras, and the United Provinces in 1894–95 and 1904–05, and urge that during the ten years the actual consumption of country spirit increased in Bengal by 53·8 per cent., in Bombay by 15 per cent., in Madras by 1·9 per cent., and in the United Provinces by 43·8 per cent. It is the case that there was during this period a considerable increase in the distillery issues of country spirit in Bengal, Bombay, and the United Provinces; but it is important to note that in the United Provinces, if a period of 20 years be taken from 1884–85 to 1904–05, the increase did not exceed 7 per cent. In these provinces also the distillery issues have decreased since 1904–05, owing mainly no doubt to the occurrence of unfavourable seasons. In 1904–05 the issues amounted to 1,445,578 London proof gallons. In 1905–06 they amounted to 1,148,888; in 1906–07 to 1,282,771; and in 1907–08 to 1,032,079 London proof gallons only. The fact, which is admitted indirectly in paragraph 3 of the Statement, that the consumption of country spirit rises and falls in accordance with the character of the seasons affords strong proof of the soundness of the view that an increase of material prosperity is one of the principal causes of the large increase which has occurred in the Excise revenue. In Bombay the distillery issues of country spirit fell to 1,609,842 London proof gallons in 1899–1900. In the two following years they were 1,713,873 and 1,792,618 London proof gallons, respectively. With the return of more prosperous times they rose to 2,383,878 London proof gallons in 1904–05, and the rise since that year has been continuous, the issues in 1907–08 amounting to 2,731,982 London proof gallons. As regards Madras, it is observed that temperance reformers would be glad to note that the increase during the ten years 1894–95 to 1904–05 is slight "were it not accompanied by an enormous increase in the amount of foreign liquor or spirits dutiable as such produced in the country." If this statement means that there has been an increase in the consumption of foreign spirits in Madras, it is incorrect. We attach a statement marked Appendix III., showing the imports into the Madras Presidency of potable foreign liquors of all kinds and the issues of similar liquors of all kinds from local distilleries during the 13 years from 1894–95 to 1906–07. It will be seen that there has been no increase during this period in the quantities of foreign spirits and wines imported and that the local production of foreign spirit has decreased. The revenue from toddy (fermented palm juice) has increased largely, and there may have been some increase in the consumption of this form of fermented liquor during this period. There has also been a considerable increase in the quantity of beer imported into the Presidency and locally manufactured. To check the increased consumption of malt liquor in India, the duty (both customs and excise) upon this liquor was raised from 1 anna to 2 annas a gallon with effect from January, 1908.

10. In view of the detailed information as to consumption which we have now supplied it is unnecessary to say much regarding the increase of consumption in the two Bengal and three Eastern Bengal and Assam districts which have been selected for special notice in paragraph 6 of the Statement. In the 24-Parganas there is every reason to suppose that the increase in the recorded consumption is partly due to the repression of illicit practices, as several persons were convicted of the offences of illicit distillation and smuggling during the ten years 1894–95 to 1904–05. In Puri a very large proportion of the Excise revenue is obtained from the town of Puri itself. Mymensingh is a jute-producing district, and the cultivating classes which benefit by the industry include many low caste Hindus who have no religious scruples about drinking spirits. It is not known, however, from what source the figures given for this district in paragraph 6 of the Statement have been taken. In respect of the two Assam districts we invite attention to our despatch No. 97, dated the 31st March, 1904. It is admitted in paragraph 8 of the Statement that the Excise reforms which have been introduced in Assam have effected a marked improvement, and the complete abolition of the outstill system throughout the province is now in contemplation.

11. The passage in paragraph 8 of the Statement in which it is urged that the regularity and steadiness of the increase in the consumption of country spirit in Calcutta was obscured for nearly 10 years by a blunder in the office of the Excise

Department for Bengal, is not understood. Licences for the sale of country spirit and rum in Calcutta are sold by auction for triennial periods, and from the annual Excise Report for 1901–02 (paragraph 12) it appears that the amount of the fees paid in advance in 1898–99 on account of the triennial settlement was adjusted in 1899–00 as part of the revenue receipts for the year instead of in 1901–02 as it should have been. It is not known if this is the blunder to which reference is made, or whether it is intended to draw attention to the fact that up to 1901-02 the population of Calcutta used to be shown in the annual Excise Reports according to the Census of 1891 without any allowance for the average annual growth of the population. In neither case, however, is the point very material.

12. It is unfortunate that the rule in the Bengal Excise Manual forbidding the sale of shop licences in groups has not been properly complied with. The irregularity was confined to a few districts; it was promptly dealt with when brought to notice; and we do not think that the circumstances justify the aspersion that the figures reported to the Government have been manipulated. The other rule which the Statement cites as having been infringed—the rule regarding the location of shops—is so comprehensive in its wording that it is not surprising that shops have been found to exist in places which contravene the instructions. We entirely approve the cardinal principle stated in the rule that a shop should not be inaccessible to persons requiring liquor, but should not be in such a position as to obtrude itself on the attention of the public or to render persons passing by subject to annoyance from persons drinking. This principle is in general accord with the recommendations of the Indian Excise Committee with regard to the sites of shops which we have approved in paragraph 6 of our Resolution No. 5,086-Exc., dated the 15th August, 1907; and the question of shop sites in Chota Nagpur, which is referred to in the Statement, will be examined in course of the investigation of the number of shops required in the province which we have ordered to be undertaken in paragraph 3 of the Resolution above quoted.

The other instances of laxity of supervision and defective administration in Excise matters which are given in paragraph 8 of the Statement do not appear to us to be incidents of any real importance.

13. Owing partly to inability to find money for the purpose and partly to reluctance on the part of some Local Governments and Administrations to take any action which might have the effect of harassing the people by unnecessary prosecutions, Excise establishments have not until recently been adequately strengthened and organised in any province, except Madras. The orders which we have now issued in our Resolution No. 4341-Exc., dated the 11th July, 1907, reviewing Chapter XIII. of the Report of the Indian Excise Committee of 1905–06, will lead to the improvement of the Excise administration. We recognise that the manufacture and issue of spirit must be controlled by adequately paid and technically trained distillery officers, and that the employment of a well paid and properly recruited preventive staff is essential to prevent and detect offences and ensure that orders issued for the improvement of the administration are properly observed. But we consider it to be practically certain that the result of these measures will be to increase and not to reduce the Excise revenue.

14. The authors of the Statement, however, regard administrative improvements "with something akin to indifference," and press the old argument that our officers rank revenue higher than morality. On this point we can promise that the policy of checking the increased consumption, which is now occurring, by an enhancement of taxation will be steadily pursued; but we cannot agree with the suggestion that a reduction in recorded consumption in any area should, in itself, be a title to commendation. A reduction in the issues of distillery spirit may simply mean an increase in the consumption of illicit liquor. Nor can we accept the far-reaching conclusions which the members of the Deputation draw from certain *obiter dicta* on the subject of revenue in Excise Reports. Every Government servant knows that useful public works and reforms in every branch of the administration have hitherto often been delayed or rejected for want of funds; and it is therefore not surprising that an improvement in Excise revenue has at times been regarded and referred to in Excise Reports with satisfaction. Moreover, it must be remembered that the writers were aware that the character of the Excise administration has been such as to restrain intemperance, and frequently that the improvement in revenue has been obtained from enhanced taxation on a stationary or diminished consumption. Furthermore, it would be unreasonable to expect that in Reports written for the information of Government by officers who are overburdened with work, passages will not occasionally be found which, when detached from their context, will lend themselves to misapprehension or

misrepresentation. The extracts from provincial reports which are quoted in paragraph 8 of the Statement should be read in the light of these remarks. In the Central Provinces, to which two of the extracts refer, the abolition of the outstill system and the imposition of a direct still-head duty on each gallon of spirit consumed will inevitably reduce consumption, but the result of the partial substitution of the distillery for the outstill system which has been effected has been a large increase of revenue, and there is every reason to suppose that as the distillery system is extended the revenue will still further increase. The recorded issues of distillery spirit will be larger, but consumption will actually be less. Satisfaction with such results may, in our opinion, properly be expressed. Satisfaction also may legitimately be expressed, as in the Eastern Bengal and Assam Report for 1905-06, when by attention to the details of administration the profits of licensed vendors have been reduced and the revenue of Government has been proportionately increased. In the United Provinces the duty on Rosa rum was higher in 1900-01 than the duty on country spirit, and as it was probably a more wholesome spirit the Excise Commissioner was not unnaturally anxious that it should not be handicapped in competition by any unfair discrimination. The extract which is selected for Bombay is, we observe, 22 years old. In our Circular letter No. 2455-S.-R., dated the 21st April, 1904, to all Local Governments and Administrations, we have laid stress upon the importance of making it clear both by word and deed that the recovery of revenue is not the primary object of the Excise administration, that the growth of Excise revenue is to be regarded as satisfactory only when it results from the substitution of licit for illicit manufacture and sale, and from a general decrease of consumption, and that Government is on the side of abstinence.

15. The prevalence of plague has in places been given as a cause of increase of spirit drinking; and in paragraph 9 of the Statement it is suggested that it is the obvious duty of Government to warn the public of the danger of alcohol consumption in connection with this disease. We are not aware that the consumption of alcohol in moderation is held by medical opinion to be "not merely inefficacious as a prophylactic against plague but to be actually a favouring cause;" on the contrary, we are informed that, in the Punjab at least, medical practitioners, both English and Indian, prescribe liquor in moderate but continuous doses in their treatment of the disease. We accordingly doubt if it is necessary specially to reduce the number of liquor shops in plague-stricken districts. We cannot believe that it is expedient to deprive people of one of their few resources for alleviating the depression which accompanies and aggravates a calamitous visitation such as plague.

16. In paragraph 11 of the Statement it is said that the direct action of the Government has always been considered by temperance critics to be one of the principal causes of the increase in the consumption of alcoholic liquor, and it is further observed that the general system of licensing seems to be "framed so as, while obtaining a definite financial return, to encourage as much as possible the use of liquor." It is argued that the Government encourages consumption, firstly by adopting a system of auctioning the licences for the retail sale of country spirit and by adhering to the system notwithstanding the opinion expressed on the subject by the Excise Committee, and secondly, by maintaining the number of shops and by placing them in the most prominent positions. "We consider," it is said, "that any system of licensing which has the auctioning of licences as its base, and where, as a result, the fees paid for the licence form an appreciable proportion of the revenue from a shop, the incitement to drink must be great." Sir J. Herbert Roberts, in his remarks on the 1st August, 1907, goes somewhat further than the allegation in the Statement that Government maintains the number of shops, and says that the members of the Deputation think that the fact of the "increased facilities" which are afforded is a "contributing influence towards the increase in the drinking of the people."

17. In our Resolution No. 2997-Exc., dated the 16th May, 1907, we have given fully our reasons for not accepting the recommendations of the Indian Excise Committee as to the methods under which licences for the retail sale of country spirit should generally be disposed of. We understand from the reply which you gave to the Deputation on the 1st August, 1907, that you accept those reasons as sufficient, and it is unnecessary to add to the length of this Despatch by recapitulating all the arguments which may be urged for or against the system. It has, as you have recognised, the supreme advantage of completely preventing the growth of vested interests; and the objection urged against it in the Statement which has been forwarded for our consideration—that it must stimulate consumption, as the licensee, if he has paid high for his licence, must recoup himself by an increase in sales and not by an increase of prices—is not, we believe, in

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accordance with the facts. An objection to the system, which has more force, is that a licensee who has paid high for his licence and who has (as is frequently the case owing to the limited number of shops licensed) a practical monopoly of sale over a considerable area is tempted to charge unduly high prices and to sell diluted or adulterated spirit, and that consumers are thereby tempted to indulge in illicit liquor. It would be easy to multiply instances in the Punjab, the Presidency districts of Bengal, and in districts of Eastern Bengal where the incidence of taxation per gallon of the recorded distillery issues has been much higher than the tariff rate of duty upon imported spirit. Again, our recent experience in the Punjab does not support the view that the auction system must necessarily stimulate consumption. The experimental abolition of that system and the issue in the rural areas of four selected Sikh districts of licences for the retail vend of country spirit on low fixed fees led immediately to a large increase of consumption; while the sale by auction of the licences of all foreign spirit shops dealing principally with Indian customers has been found in that province to be a powerful check on the consumption of these spirits.

18. The system we recognise is not perfect. Its merits and demerits are engaging our closest attention in connection with a representation on the subject from the Government of Bombay; and we may find it expedient to allow some latitude to Local Governments in its application. If, however, it be worked in accordance with the principles laid down in paragraph 5 of our Resolution No. 2997-Exc., dated the 16th May, 1907, we believe that the auction system will be found to be the best that can be devised for keeping the liquor trade entirely under control and for securing to the Government the highest possible revenue on the lowest possible consumption. The organisation of adequate establishments for the supervision of the shops to prevent malpractices by the licensees is now being carefully examined, and we believe that the supervision which will in future be exercised will remove many of the objections which have been urged against the system, as it has hitherto been worked, by the Excise Committee and by other critics.

19. Opinions may reasonably differ as to the best method of determining the fees which should be charged for licenses; but in dealing with the question of the number of shops licensed, or, as Sir J. Herbert Roberts expresses it, the facilities for sale, the Deputation have done the Government of India less than justice. In paragraph 12 of the Statement they give figures of total Excise licences and country spirit retail licences for the years 1891–2, 1901–02, and 1905–06 for the eight principal provinces, and say that they "have been pleased to note a tendency towards reducing the number of shops in certain of the provinces in the last few years, but this has only taken place recently to any great extent." At the same time they maintain that in most parts of India the number of shops is too large, and they quote some passages from the Report of the Indian Excise Committee in support of their contention. The statement, which forms Appendix IV. to this Despatch, will show that it is not correct to say that the reduction in the number of shops has only been effected to any great extent in recent years. The reduction in all provinces, except in Bombay (excluding Sind) and the Punjab and Burma, where the number is strictly limited, has been continuous. In 1883–84 the number of country spirit shops in the eight* principal provinces of India was 44,821. In 1906–07 it was 30,442.

20. The following table shows for each of the principal provinces the number of country spirit retail shops in 1906–07, the area per shop in square miles, and the population per shop:—

Province.	Number of country spirit retail shops for 1906–07.	Area per shop in square miles.	Population per shop.
Madras	11,451	12	3,338
Bombay	2,515	31	6,095
Sind	293	161	10,959
Bengal	3,060	37	16,575
Eastern Bengal and Assam	775	126	39,092
United Provinces	5,584	19	8,693
Punjab and the North-West Frontier Province ...	1,337	88	16,850
Central Provinces and Berar	5,270	18	2,243
Burma	157	1,074	58,519

* The Punjab and the North-West Frontier Province have been treated as one province for the purpose of the comparison.

Except perhaps in Madras, and the Central Provinces (where, however, there has been an enormous reduction in recent years), the number of shops cannot be regarded as excessive. We have, however, in our Resolution No. 5086-Exc.. dated the 15th August, 1907, requested Local Governments and Administrations to investigate the question of the number of shops required in their provinces with reference to the remarks and criticisms of the Excise Committee and the following criteria :—

"The considerations which, in the Government of India's opinion, must govern the decision as to the number of shops to be established in a given area are perfectly clear. If shops are allowed to be so sparse that each has a practical monopoly over a considerable area, prices will inevitably be raised and illicit practices encouraged ; this danger will be accentuated if the limit of private possession of liquor is reduced, as suggested in paragraph 12 below. On the other hand, while shops need not necessarily be so limited in number as to make it impossible for a resident in a particular area to get his liquor except from one particular shop, it should only be possible for him to do so at the cost of considerable inconvenience, and he ought to have as little freedom of choice in the matter as possible. If two or more shops are equally convenient to any considerable number of persons, the fact affords what the Government of India would regard as *primâ facie* evidence that the number of shops in that particular area is excessive."

We have added that the investigation should aim at a redistribution where the present arrangement is uneven, and at a reduction where the number is now in excess, and that it is not suggested that there should be any addition to the total number of liquor shops in India.

21. Paragraphs 7 to 11 of the same Resolution contain our orders on the recommendations of the Indian Excise Committee regarding the construction of shops, prohibition of sales to children and to persons known or believed to be intoxicated, the employment of women, and the enforcement of an early closing hour. The recommendations of the Committee have been approved ; and in regard to the prohibition of the employment of women, which the members of the Deputation apparently favour, we have passed the following orders :—

"As regards sale by women, the Government of India agree with the view taken by the Government of Bombay in 1905 that there is no necessity for its absolute prohibition, and that it will be sufficient to cancel the licence and to refuse renewal in the case of any person who is found to allow the business of a refreshment room to be carried on in a manner which is open to reasonable suspicion. It is, however, ordinarily desirable to confine permission to a wife, daughter, or other near relative of the shopkeeper who is living with him ; and there may, as the Committee indicate, be particular places in which it is desirable to forbid sale by women altogether. The Collector should in all cases have power to call for the names of persons employed or proposed to be employed in liquor shops, and to forbid sale by such as he may disapprove."

It is not right that respectable women should be deprived of a means of earning a livelihood in rural tracts merely because the employment of women in liquor shops is in some places and in certain circumstances liable to abuse.

In paragraph 3 of the Resolution we have also expressed our approval of the Committee's proposal to consider separately, with reference to local conditions, a minimum and a maximum scale of shops for every tahsil or other convenient sub-division of a district. For proper administration a minimum as well as a maximum scale is required ; otherwise, as explained above, there is a risk of unhealthy monopolies in areas served by individual shops.

22. It is further urged by the deputation that the positions in which shops are placed afford a justification for the belief on the part of many critics, that the Excise authorities foster the drink traffic, and that the Bengal rule as to the location of shops should be properly carried out and made absolute. We have suggested in paragraph 12 above that the Bengal rule is to some extent a counsel of perfection and that its complete enforcement in all places may be a matter of difficulty. The location of shops is a question on which considerable diversity of opinion has been expressed both by officers concerned in the administration and by persons interested in temperance. The Excise Committee in paragraph 237 of their Report commend the following opinion on the subject of the Excise Commissioner of the Punjab :—

"The correct principles to follow in locating a shop appear to be these ; its position should be so far public that persons entering it should not escape observation, and that supervision should be rendered easy, but it should not be so prominent as to compel attention, *e.g.*, by occupying a whole side of a public square (as in the Bansawala Bazar, Jullundur) or a 'corner-lot' (as near the Rambagh Gate, Amritsar), it should never

occupy a position to which the near neighbours object on grounds which upon enquiry appear to be other than grounds of personal spite ; and so far as possible it should be at a distance from religious and other institutions."

The Government of India have expressed their general accord with the principles thus laid down, and have approved the further suggestions of the Committee for the notification of proposed sites with the object of ascertaining objections to them and of obtaining the opinions of all persons specially interested. The principles do not differ materially from those contained in the Bengal rule, which is approved by the Deputation ; but, as the Excise Committee have observed, it will be exceedingly difficult in towns to secure sites fulfilling the necessary conditions unless the sites are acquired for the purpose by Government. The subject is at present under the consideration of the Local Governments.

23. We have now dealt with heads (*a*), (*b*), (*c*), (*f*) and (*g*) (1) of the points specially urged by the Deputation as summarised in paragraph 13 of the Statement. In regard to the licensing arrangements the Deputation urge :—

> " (*d*) No new license should be given, or no transfer made, without a proper local public enquiry. We suggest a procedure in the matter analogous to that under the Lands Clauses Act in England, and deference should be paid to local opinions.
>
> " (*e*) The authority granting the license should *not* be that which has to receive the revenue. We suggest either a judicial authority or an elected authority like a Municipal Corporation or Local Board might be used for the purpose."

On this subject our orders on the recommendations of the Excise Committee are contained in paragraphs 4 and 5 of the Resolution No. 5086-Exc., dated the 15th August, 1907 ; and, as the subject is a difficult and important one, we reproduce them here :—

" The licensing authority in India, outside the Presidency towns, is the District Officer, and the Excise Committee have carefully considered whether the existing practice calls for modification. In the granting of liquor licenses and the location of liquor shops, the extent to which public opinion can be ascertained, and the weight which should attach to such opinion as is expressed, are questions of no small difficulty. Local option, in the sense in which that term is generally understood, is quite impracticable in India. As the Government of India wrote in 1890, it 'would throw the whole administration into confusion, and would in some places create an intolerable class tyranny which might have very serious political effects.' The position has not materially changed since this was written ; and it is impossible for the Government to lay aside its responsibilities for fixing, whether by itself or through its officers, the number and sites of liquor shops. The Government of India would be glad, however, to see local opinion consulted more systematically and recorded more definitely than is the case at present, and to that end they suggest for the careful consideration of Local Governments the following modifications in the present procedure, which are based to a certain extent on the Committee's recommendations.

Paragraph 98 of the Government of India's Despatch No. 2, dated the 4th February 1890.

" The machinery which the Committee proposed for the licensing of shops in the Presidency and other large towns is a small local Committee, and the Government of India think that a similar body might suitably be utilised for drawing up the maximum and minimum scales both in the Presidency towns and other large municipalities with a population exceeding, say, 20,000 or some other suitable figure to be fixed by the Local Government. The Committee in the Presidency towns and Rangoon might consist of (1) the Collector, the Excise Commissioner, or other Chief Revenue Officer ; (2) the Commissioner of Police ; (3) the Chairman of the Corporation ; and (4) the Municipal Commissioner or Commissioners for each ward separately. In other municipalities it might similarly consist of (1) the District Officer ; (2) the District Superintendent of Police ; (3) the Chairman of the Municipality ; and (4) the members (or a selected member) for each ward separately. The precise constitution of the Committees must, however, in all cases be left to the discretion of the Local Government concerned, and there is no need for uniformity. These Committees might prepare their proposals, or consider those of the Collector, once in three to five years, and submit them to the Chief Revenue authority for the approval of Government, whose decision should be final. Whether a similar agency could be employed for rural areas, or even for small towns, appears to the Government of India to be somewhat doubtful. Members of District and Local Boards are rarely in a position to gauge the requirements of the rural population in the same way as the leading citizens of large towns can judge the number of shops

required in the smaller and more densely populated areas with which they are familiar. The extension of the system outside the larger towns, however, is a matter which may be left to the discretion of Local Governments."

24. Committees have been appointed in the Presidency towns of Calcutta, Bombay and Madras to report on the location and distribution of shops, and the Local Governments are giving their attention to the subject. The problem of local option is attended with difficulties which may not be appreciated by those who have no personal acquaintance with the working of local self-Government in India. We agree, however, with the Excise Committee that Municipal Committees should be consulted as valuable exponents of a certain section of public opinion to which proper attention should be paid; and we shall take steps to ensure that local opinion both in urban and in rural areas is more systematically consulted and the result more formally recorded than it has hitherto been. At the same time we agree with the Excise Committee that persons, who are taught by religion or caste to regard all alcohol as an evil, cannot be allowed to have a sole determining voice in regard to the requirements of their fellow townsmen, and that due regard must be paid to the wishes and needs of persons to whom alcohol is not prohibited. We are unable, therefore, to accept the recommendation made by the Deputation that the licensing functions should be assigned to municipal or other elected local bodies.

As to the method of inquiry to ascertain local opinion outside municipal areas, we agree with the Excise Committee that a notice put up at or near the proposed site and published in the locality by beat of drum is to be preferred to a notification in the Gazette, and that a local and personal inquiry by a district officer is preferable to formal proceedings undertaken at district headquarters. The inquiry should be public but should not necessarily be formal, and the orders recorded should in each case set forth the procedure observed in making the inquiry and the conclusions arrived at.

The Magistrate and Collector of the district is, under the existing conditions of our administration, the officer who is most likely to possess the local knowledge required for the satisfactory discharge of the licensing functions, and we cannot accept the view that these officers have any such interest in the growth of the Excise revenue as to disqualify them from performing the duty impartially. We are unable to convince ourselves that any material advantage would be gained if the power of granting licenses were transferred from the Magistrate and Collector to a judicial authority; and any change in this direction would have to be undertaken tentatively and with caution. The subject is a most important one and will continue to receive our earnest attention.

25. There remain the suggestions that the Government should adopt a positive attitude on the side of abstinence by encouraging temperance, as some municipalities do in England, by warnings as to the evils of drink and by providing open spaces in towns with attractions where drink cannot be obtained and by making temperance teaching compulsory in all schools. The Excise Committee in paragraph 269 of their Report, which was submitted on the 4th July 1906, suggested that the educational authorities might arrange for temperance teaching in schools, as had, they understood, already been agreed to in Bombay and the Punjab. A question regarding the inculcation of temperance principles in schools was also asked in Parliament by Sir J. Herbert Roberts, M.P., on the 6th December 1906. As a result of the consideration which has been given to the subject, all Local Governments and Administrations have been informed in the letter from our Home Department, No. 730–737, dated the 12th September 1907, that the Government of India are of opinion that a few sensible lessons on the subject of temperance should be included in the sanctioned readers in schools. In provinces where such lessons do not already exist Local Governments have been asked to arrange for their introduction when the readers are revised or when new readers are being prepared. The replies received from Local Governments showed that intemperance is almost unknown among school boys in India; and it has not therefore been considered expedient or necessary to require the Departments of Public Instruction to deal with the subject in any formal or direct manner.

26. Formal warnings by Government as to the evils of drink are in this country much less needed than warnings against other crimes and vices which unfortunately exist, and the suggestion about the provision of open spaces with attractions is utterly impracticable. Such spaces could only be provided by a liberal use of the Land Acquisition Act; the cost would be enormous; much individual hardship would be caused; and the benefit to the community would be altogether incommensurate with the advantages that would be secured. Except possibly in a few isolated localities the evils arising from drink in India are not to be compared with what may be seen in any town in the United Kingdom.

The suggestion also that the Excise administration should be improved at any cost is an utterly impracticable one. We are prepared, subject to your sanction, to incur considerable expenditure upon the organisation of well paid and properly recruited preventive establishments; but Excise is very far from being the only branch of the administration which requires special attention, and economy cannot be entirely sacrificed in the pursuit of efficiency.

27. Of the suggestions made by the Deputation, those relating to the licensing system and the method of ascertaining local public opinion before Excise shops are licensed have had, and will have, our most careful consideration; but as at present advised we see no reason to modify the orders which we have issued on these subjects in our Resolutions No. 2997-Exc., dated the 16th May, and No. 5086-Exc., dated the 15th August, 1907. Most of the other suggestions, we trust, will have been found to be covered by the series of orders on the Excise Committee's Report which we had issued before receipt of your Despatch of the 15th November, 1907.

We have, &c.,

(Signed) MINTO.
„ KITCHENER.
„ C. H. SCOTT.
„ H. ADAMSON.
„ J. O. MILLER.
„ W. L. HARVEY.
„ J. S. MESTON.

Enclosure No. 1.

GOVERNMENT OF INDIA.—FINANCE DEPARTMENT.

Enclosures of Despatch No. 294 of 1908.

APPENDIX I.

Statement showing the issues of country spirit from distilleries in India.

Province.	Issues, in gallons, London proof.									Province.
	1883–84.	1888–89.	1893–94.	1898–99.	1903–04.	1904–05.	1905–06.	1906–07.	(g) 1907–08.	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(1)
Madras	762,587	1,017,900	901,419	780,021	1,207,215	1,272,007	1,221,819	1,410,844	1,726,108	Madras.
Bombay	1,489,211	1,615,850	2,032,703	2,060,280	2,086,955	2,383,878	2,539,919	2,642,482	2,731,982	Bombay.
Sind	—	97,103	153,966	156,383	160,322	178,287	183,175	195,893	190,809	Sind.
Bengal	268,777	361,617	416,857	530,083	692,654	675,984	726,508	851,983	1,089,889	Bengal.
Eastern Bengal and Assam...	(a)	(a)	(a)	(a)	(a)	(a)	54,604	90,748	135,411	Eastern Bengal and Assam.
United Provinces (c) ...	(b) 1,391,743	(b) 1,335,588	1,158,785	1,169,429	1,383,649	1,445,578	1,148,888	1,282,771	1,032,079	United Provinces.(c)
Punjab and the North-West Frontier Province.(d)	119,814	151,482	214,118	264,046	334,750	377,950	491,191	423,374	455,558	Punjab and the North-West Frontier Province.(d)
Central Provinces and Berar	(e) 450,000	(e) 360,000	299,637	314,131	504,084	564,453	975,628	1,181,122	1,110,586	Central Provinces and Berar.
Burma	(f)	(f)	(f)	(f)	(f)	(f)	4,550	11,432	19,519	Burma.
TOTAL	4,482,132	4,939,540	5,177,485	5,274,373	6,369,639	6,898,137	7,346,282	8,090,649	8,491,941	TOTAL.

(a) The distillery issues in the Eastern Bengal districts for the years 1883–84 to 1904–05 are included in the figures under Bengal, of which those districts then formed a part.
(b) The figures are approximate. The actual strength of the issues is not shown in the Excise Reports, and has been estimated at 24° U.P. for the year 1883–84, and at 25° U.P. for 1888–89.
(c) The figures up to 1903–04 are for revenue years October to September, and for subsequent years for financial years April to March.
(d) The figures from 1893–99 include imports of plain Rosa spirit, which, since that year, has been classed as country spirit in the Punjab and the North-West Frontier Province. The issues for the latter province are not exactly ascertainable from the Excise Reports; and for the years 1903–04 to 1907–08 the sale figures have therefore been taken as representing the issues.
(e) The figures are approximate.
(f) Prior to 1905–06 all distillery spirit issued in Burma was generally classed as foreign spirit and taxed at tariff rates.
(g) The figures for this year have been furnished by the local authorities. In the absence of the Excise Reports it has not been possible to verify them.

Enclosure No. 2.

APPENDIX II.—A.

Statement showing the Total Imports into India of Foreign Liquors of all kinds.

(In thousands of bulk gallons.)

Year. (1)	Fermented liquors. (2)	Potable spirits. (3)	Liqueurs. (4)	Wines. (5)	Total. (6)	Non-potable spirits (*i.e.*, perfumed and methylated spirits and spirits used in drugs, &c.) (7)	Grand Total. (8)	Rates of Customs Duty on: Fermented liquors per imperial gallon. (9)	Potable spirits per London proof gallon. (10)	Liqueurs per imperial gallon. (11)	Wines per *imperial* gallon. (12)	Year. (1)
								Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	
1883-84... ...	1,269	876	422		2,567	18	2,585	0 1 0	(*c*) 4 0 0	4 0 0	(*d*) 2 8 0 and (*e*) 1 0 0	1883-84
1888-89... ...	2,403	(*a*) 1,072	13	361	3,849	(*b*) 47	3,896	0 1 0	5 0 0	5 0 0	(*f*) 2 8 0 and (*g*) 1 0 0	1888-89
1893-94... ...	2,790	(*a*) 1,013	13	379	4,195	(*b*) 54	4,249	0 1 0	6 0 0	6 0 0	Ditto	1893-94
1898-99... ...	3,231	1,098	15	332	4,676	151	4,827	0 1 0	6 0 0	6 0 0	Ditto	1898-99
1903-04... ...	4,068	1,285	14	333	5,700	138	5,838	0 1 0	6 0 0	6 0 0	Ditto	1903-04
1904-05... ...	4,614	1,289	14	319	6,236	171	6,407	0 1 0	6 0 0	6 0 0	Ditto	1904 05
1905-06... ...	5,011	1,369	16	342	6,738	236	6,974	0 1 0	6 0 0	6 0 0	Ditto	1905-06
1906-07... ...	4,927	1,192	12	329	6,460	285	6,745	0 1 0	7 0 0	10 0 0	Ditto	1906-07
1907-08... ...	4,889	(*h*) 1,647	13	347	(*h*) 6,896	(*i*)	6,896	(*j*) 0 1 0	7 0 0	10 0 0	Ditto	1907-08

(*a*) These figures presumably include imports of methylated spirits.
(*b*) These figures exclude imports of methylated spirits.
(*c*) Duty on potable spirits was levied in 1883-84 per *bulk* gallon and not in proportion to strength.
(*d*) Rate charged on champagne and other sparkling wines.
(*e*) Rate charged on other sorts of wines,
(*f*) Rate charged on champagne and other sparkling wines containing more than 42 per cent. of proof spirit.
(*g*) Rate charged on other sorts of wines not containing more than 42 per cent. of proof spirit.
(*h*) Includes imports of non-potable spirits, separate figures of which are not at present available.
(*i*) Included in column 3.
(*j*) Duty raised to 2 annas per gallon from 3rd January, 1908

Enclosure No. 3.

APPENDIX II —B.

Statement showing the gross amount of Customs Duty collected in British India on imported liquors of all kinds.

(In lakhs of rupees.)

Year. (1)	Fermented liquors. (2)	Spirits and liqueurs. (3) (*a*)	Wines. (4)	Total. (5)
1883–84	·81	35·52	(*b*) 5·69	42·02
1888–89	1·54	48·93	4·36	54·83
1893–94	1·76	53·69	4·11	59·56
1898–99	2·05	63·66	3·82	69·53
1903–04	2·54	75·17	3·80	81·51
1904–05	2·88	76·59	3·74	83·21
1905–06	3·12	90·31	3·97	97·40
1906–07	3·09	77·98	3·83	84·90
1907–08	3·85	92·66	3·99	100·50

(*a*) The figures in column 3 represent duty on spirits imported from foreign and Indian ports, and also from 1888–89 the duty on liqueurs.
(*b*) Includes duty on liqueurs.

Enclosure No. 4.

APPENDIX III.

Statement showing the imports in gallons of potable foreign liquors of all kinds and the issues of similar liquors from local distilleries in the Madras Presidency during each of the years 1894-95 to 1906-07.

Description of Liquors.	1894-95.	1895-96.	1896-97.	1897-98.	1898-99.	1899-00.	1900-01.	1901-02.	1902-03.	1903-04.	1904-05.	1905-06.	1906-07.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Imports from foreign countries of—													
Brandy	25,709	27,997	28,445	22,787	28,882	24,692	27,037	31,126	36,933	42,697	41,795	37,513	41,706
Gin	9,706	10,099	8,610	9,991	9,147	10,931	11,564	11,110	11,357	13,112	15,885	13,823	12,307
Rum	1,551	951	1,417	2,393	1,882	1,826	2,231	2,041	1,645	2,645	2,745	1,681	1,730
Whisky	53,025	53,145	62,644	48,455	61,598	69,188	59,432	63,653	66,717	73,765	70,401	71,141	70,848
Other sorts of spirits	98,631	109,385	97,558	96,931	62,616	71,278	54,234	47,268	64,555	73,062	77,730	71,052	59,402
Liqueurs	1,140	908	1,389	1,044	1,309	970	596	781	900	1,152	864	783	1,011
Wines	49,670	50,396	47,712	46,492	45,098	47,295	42,509	45,990	42,190	53,726	47,597	51,774	52,360
Total	239,432	252,881	247,775	228,093	210,532	226,180	197,603	201,969	224,297	260,159	257,017	247,767	239,364
Issues of locally manufactured potable spirits excised at tariff rates.(*a*)	9,139	12,786	13,173	13,969	11,177	8,225	13,142	22,129	12,961	8,681	9,931	5,363	6,810
GRAND TOTAL, WINES AND SPIRITS ...	248,571	265,667	260,948	242,062	221,709	234,405	210,745	224,098	237,258	268,840	266,948	253,130	246,174
Imports from foreign countries of—													
Ale, beer and porter	445,330	530,808	538,930	412,515	464,500	449,664	463,437	388,472	512,089	532,898	648,601	604,459	624,704
Cider and other fermented liquors... ...	212	234	388	402	38	157	281	859	921	752	994	1,345	2,087
Total	445,542	531,042	539,318	412,917	464,538	449,821	463,718	389,331	513,010	533,650	649,595	605,804	626,791
Issues of locally manufactured beer ...	542,091	474,086	495,592	379,216	298,717	334,331	286,777	370,212	415,606	412,185	402,353	494,227	572,280
Imports of Bangalore beer	4,272	36,024	7,834	108	—	—	—	16,462	28,439	61,628	92,399	91,042	163,445
Total	546,363	510,110	503,426	379,324	298,717	334,331	286,777	386,674	444,045	473,813	494,752	585,269	735,725
GRAND TOTAL, FERMENTED LIQUORS ...	991,905	1,041,152	1,042,744	792,241	763,255	784,152	750,495	776,005	957,055	1,007,463	1,144,347	1,191,073	1,362,516

(*a*) The figures under this head are in *proof* gallons, while those under other heads are in bulk gallons.

Enclosure No. 5.

APPENDIX IV.

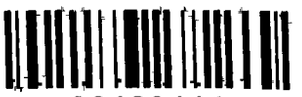
Statement showing the number of shops for the retail sale of (a) *country spirit, and* (b) *foreign liquors of all kinds.*

Province.	Number of Shops for the Retail Sale of Country Spirit.																	
	Outstill Areas.						Distillery Areas.						Total.					
	1883–84.	1888–89.	1893–94.	1898–99.	1903–04.	1906–07.	1883–84.	1888–89.	1893–94.	1898–99.	1903–04.	1906–07.	1883–84.	1888–89.	1893–94.	1898–99.	1903–04.	1906–07.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
Madras (*a*)	7,634	6,522	2,764	1,615	1,346	(*b*)1,212	9,341	11,134	8,638	8,761	10,102	10,239	16,975	17,656	11,402	10,376	11,448	11,451
Bombay	832	102	24	1	1	1	1,722	2,511	2,542	2,520	2,473	2,514	2,554	2,613	2,566	2,521	2,474	2,515
Sind	606	—	—	—	—	—	—	279	283	296	296	293	606	279	283	296	296	293
Bengal	4,133	3,473	2,034	2,076	2,145	1,894	481	575	1,255	1,186	1,237	1,166	4,614	4,048	3,289	3,262	3,382	3,060
Eastern Bengal and Assam (*c*)	226	249	200	218	213	512	—	—	—	—	—	263	226	249	200	218	213	775
United Provinces	2,636	1,638	1,419	1,476	1,492	1,100	6,244	5,552	5,195	4,568	4,521	4,484	8,880	7,190	6,614	6,044	6,013	5,584
Punjab and the North-West Frontier Province.	—	15	16	15	15	18	1,010	1,384	1,403	1,383	1,296	1,319	1,010	1,399	1,419	1,398	1,311	1,337
Central Provinces and Berar	5,012	6,702	5,989	4,913	5,799	2,388	4,898	2,795	1,399	2,227	2,344	2,882	9,910	9,497	7,388	7,140	8,143	5,270
Burma	(*d*) 46	75	63	69	7	1	—	—	—	—	—	86	(*d*) 46	75	63	69	72	157
TOTAL	21,125	18,776	12,509	10,383	11,083	7,196	23,696	24,230	20,715	20,941	22,269	23,246	44,821	43,006	33,224	31,324	33,352	30,442

Number of shops, including hotels, refreshment rooms, &c., for the retail sale of foreign liquors of all kinds.

Province. (1)	1883–84. (2)	1888–89. (3)	1893–94. (4)	1898–99. (5)	1903–04. (6)	1906–07. (7)	Province. (1)
Madras	559	868	632	728	784	840	Madras.
Bombay	340	215	317	341	367	348	Bombay.
Sind	24	50	86	57	72	84	Sind.
Bengal	866	672	526	511	556	488	Bengal.
Eastern Bengal and Assam (*c*)	138	127	103	69	60	228	Eastern Bengal and Assam.(*c*)
United Provinces	155	205	(*e*) 278	(*e*) 311	(*e*) 379	(*c*) (*g*) 313	United Provinces.
Punjab and the North-West Frontier Province...	482	598	468	311	332	333	Punjab and the North-West Frontier Province
Central Provinces and Berar	92	55	88	108	135	125	Central Provinces and Berar.
Burma	(*d*) 399	(*f*) 269	437	447	442	259	Burma.
TOTAL	3,055	3,059	2,935	2,883	3,127	3,018	TOTAL.

(*a*) The figures for the years 1883–84 to 1898–99 exclude the number of shops in the Agency tracts, of which no record exists.
(*b*) Excludes 83 shops opened in the Chavakat Deputy Tahsildar's division during the first half of the year.
(*c*) The province of Eastern Bengal and Assam was constituted on the 16th October, 1905. The figures for the years prior to 1906–07 relate therefore to Assam only.
(*d*) Figures for Lower Burma only.
(*e*) These figures include shops open for a part of the year.
(*f*) This figure represents the number of licences granted for Lower Burma only. The corresponding figure for Upper Burma is not ascertainable from the Excise Report.
(*g*) Excludes 18 bar licences granted to hotels.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